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U.S. Soldiers Sent to Train Armed Forces In Cambodia

Washington Stresses First Direct Military Aid Since '70s Is 'Nonlethal'

By Philip Shenon
New York Times Service

BEIJING — The Defense Department has sent dozens of American military trainers and hundreds of thousands of dollars in equipment to Cambodia in recent weeks to help the Cambodian Army, which has suffered a string of battlefield defeats this year at the hands of the Khmer Rouge rebels.

U.S. officials said it was the first time since the 1970s that the United States had provided direct aid to the Cambodian Army, although they were quick to note that the equipment did not include weapons or ammunition.

"This is nonlethal aid," an official said. "We're helping them to build roads and deal with mines. That's all."

Senior State Department officials have said that the United States is also considering sending arms and ammunition to the Cambodian Army but that a final decision would have to await consultations with Congress and with other nations that have been involved in efforts to rebuild Cambodia after years of civil war.

Under a \$975,000 grant, the Defense Department has sent 44 officers and enlisted men to Cambodia over the last two weeks to serve as trainers, along with a variety of surplus road-building equipment, including road graders, water tanks, and electrical generators.

A U.S. official in Phnom Penh said that the trainers would also assist the Cambodian Army in its program to remove the millions of mines that remain scattered across the countryside as a result of the civil war.

General Ke Kimyan of Cambodia said Tuesday that the arrival of the American trainers and their equipment was "of historical significance to our forces. This assistance is really important to heighten the skills of our specialists in the armed forces."

Cambodian military officials said that while the aid was useful, what they really need are weapons, ammunition and tactical military advisers who can help revive the demoralized army as a valid fighting force.

Cambodia's head of state, King Norodom Sihanouk, has warned that without arm shipments from the United States and elsewhere, Cambodia might again fall to the Khmer Rouge, the Maoist-inspired guerrillas who were responsible for the deaths of more than one million Cambodians after they ousted a U.S.-backed government in 1975.

The Khmer Rouge, ousted in 1979 in a Vietnamese invasion, continue to control large stretches of western Cambodia and with fresh shipments of weapons from across the border in Thailand, have subjected the army to defeats on the battlefield.

The army has no reliable supply line for weapons and ammunition, although news reports from Phnom Penh suggest that an Indonesian company has sold 3 million rounds of ammunition for M-16 rifles to the army.

The Khmer Rouge signed a 1991 United Nations peace treaty meant to end the civil war but later backed out of the agreement and refused to take part in general elections last year, which produced the first freely elected Cambodian government in more than a generation.

Other countries have suggested that they may also supply military aid to Cambodia. Australia sent a team of military advisers to Cambodia last week to assess the need for aid.

"We are clearly willing in principle to go some distance down this track," Foreign Minister Gareth Evans of Australia, referring to military aid, said this week in Bangkok during meetings of the Association of South East Asian Nations.

Military donations from France, Cambodia's former colonial ruler, have already included a fleet of heavy transport trucks and three observation helicopters.

Diplomats say France would also consider sending weapons.



A Rwandan woman, her baby on her back, collapsing Thursday alongside the road that runs between Goma and the Kibumba refugee camp in Zaire.

Get Rwandans Back Home, U.S. General Insists

By Barry James
International Herald Tribune

The chairman of the U.S. Joint Chiefs of Staff, General John M. Shalikashvili, said Thursday that the Rwandan relief effort must concentrate on getting refugees out of disease-ridden camps and back to their own country, although he added that there was no agreement on how to do this.

Also on Thursday, senior administration officials corrected what they said were "premature" statements by the U.S. military that up to 2,000 American troops may be deployed in Rwanda as part of a repatriation operation. White House officials said there had been confusion among U.S. military officers about plans to send troops to Rwanda.

Nevertheless, General Shalikashvili said that "certain-

ly there will be several thousand" troops involved if President Bill Clinton approves setting up a major supply hub at the airport in Kigali, Rwanda's capital.

He said the U.S. military was looking at a number of plans. One was to set up a series of feeding stations along the route back to Rwanda from the refugee camps in

See RWANDA, Page 8



HEARING NO EVIL? — Jim Leach, Republican of Iowa, listening to testimony Thursday by the former White House counsel, Bernard Nussbaum, who denied trying to influence the Whitewater inquiry. Page 3.

Kiosk

Jackson Warns Nigeria of Sanctions

LAGOS (AFP) — The Reverend Jesse L. Jackson, the U.S. special envoy to Nigeria, said here Thursday that Washington was considering freezing Nigeria's assets and imposing sanctions if the country's military regime remained in power.

The civil rights activist met the military ruler, General Sani Abacha, in the capital, Abuja, and told him that Washington wanted Nigeria returned to civilian rule as soon as possible, a member of Mr. Jackson's entourage reported. Mr. Jackson also met the jailed opposition leader, Moshood K.O. Abiola, who went on trial for treason Thursday.

Witnesses outside the courthouse said three people were shot and killed in clashes with the police when hundreds of pro-democracy supporters gathered to call for Chief Abiola's release and installation as president.

Leisure

For racing aficionados, England's Goodwood rivals Ascot. Page 6.

Book Review

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Angola Tragedy: An Abyss Of Mistrust and Killings

By Paul Taylor
Washington Post Service

DONDO, Angola — Antonio dos Anjos, a 15-month-old war victim, has sunken eyes, twiglike limbs and a case of cholera that will not kill him, thanks to the kindness of strangers.

His doctor is a Nigerian, his nurse a Minnesotan. An Australian is the supply officer at the therapeutic feeding center at Antonio's displaced persons camp; a Norwegian is the water engineer.

They are part of an international relief effort that has kept Angola from becoming another of this decade's humanitarian catastrophes, on the order of Somalia, Rwanda or Bosnia.

Unfortunately, the kindness of strangers has not rescued Angola from itself. A mineral-rich southwestern African nation of 11.2 million, Angola is home to one of Africa's most intractable post-colonial civil wars, now approaching its 20th year and well past the half-million mark in deaths.

Nor have strangers always come in kindness. Over the span of just two decades,

this country has been a Portuguese colony, a Soviet client state, a superpower battleground, a failed object of New World Order democracy initiatives, and a starving recipient of First World food aid.

It hardly seems to matter anymore if the outsiders come for mischievous purposes or noble ones. Either way, Angolans keep suffering and dying. "If you want to make a case that the industrialized world still doesn't understand how to deal with Africa, Angola is a pretty good example," a Western diplomat said.

In a sense, Angola is the whole post-colonial African tragedy writ small. While most of the rest of the planet moves toward democracy and free markets, this nation is stuck in its own hellish orbit, with a dysfunctional command economy and a civil war fueled by greed and power.

It seems beside the point to argue who is most to blame. There is more than enough blame to spread around, from the Portuguese colonizers who never prepared Angola for independence, to the superpowers

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Baseball Strike Set for Aug. 12 If Player-Owner Talks Stumble

The Associated Press

NEW YORK — Baseball players said Thursday that they would strike on Aug. 12 if they had not reached a new labor contract with owners by then.

The decision puts baseball on track for its eighth work stoppage in 22 years.

"We believe that this date will maximize the chance of successfully negotiating an agreement without any work stoppage," said the union leader, Donald Fehr.

The players' representatives say they fear the owners will impose a salary cap after the season unless there is an agreement to replace the four-year deal that expired Dec. 31. The union hopes a strike

would force owners to reach a deal in order to preserve the postseason television revenue, estimated at \$140 million, an average of \$5 million per club.

Richard Ravitch, a management negotiator, said the union's proposal to raise the minimum salary from \$109,000 to \$175,000-\$200,000 and to restore salary arbitration to players with two years of major league service would cost clubs \$660 million to \$700 million over four years and \$1.57 billion to \$1.65 billion over seven seasons.

Players voted nearly unanimously to give their executive board the authority to set a strike date and call a walkout.

Blaming Iran, Israel Signals Quick Riposte To Bombings

Lebanon Is Put on Alert; Peres Sees 'No Doubt' Of Tehran Involvement

By Youssef M. Ibrahim
New York Times Service

JERUSALEM — Indications of a possible Israeli military operation against pro-Iranian militias in southern Lebanon over the next few days are increasing both in Israel and Lebanon, coupled with unconfirmed speculation here that Israel may launch a military action against Iran itself.

In Lebanon on Thursday, Prime Minister Rafik Hariri held an emergency session of the cabinet in which he directed several ministers to "be on alert" for a possible Israeli attack in southern Lebanon where forces of Hezbollah, the Iranian-funded militia, attacked Israeli soldiers last week. One soldier was killed and 13 wounded.

Since that attack Israel has also blamed Iran and elements of Hezbollah operating overseas for the bombing of a Jewish com-

A Jewish leader says Argentina warned Britain of impending bombings. • U.S. vows to punish those responsible. Page 8.

munity center in Buenos Aires that killed nearly 100 people. Two other bomb attacks in London, against the Israeli Embassy and a Jewish organization, are also being blamed here on "extremist Muslim militant" terrorist groups.

Foreign Minister Shimon Peres stressed the Israeli suspicions Thursday when he told Israeli envoys during a meeting that "there is no longer the slightest doubt that Iran stands behind the bombings," of the Jewish and Israeli centers in Buenos Aires and London.

A few days ago, Uri Lubrani, the Israeli coordinator for policy on Lebanon, vowed that Israel would mount "a harsh action of revenge" for the border-region attack against the Israeli Army, which was planned and carried out by Hezbollah.

In Beirut on Thursday, Hussein Khalif, the head of the political bureau of Hezbollah, said in an interview with the Arabic-language French radio station Radio Monte Carlo, that his organization was not responsible for the bombings in Buenos Aires and London. He asserted that allegations of Hezbollah involvement were "an invention of the Mossad," the Israeli secret service, to "mount a campaign against Muslim resistance movements."

Meanwhile, another pro-Syrian Shiite militia in south Lebanon, Amal, took responsibility for an attack on Israeli soldiers in the border region between Israel and Lebanon. That attack has not been confirmed by Israel.

The saber-rattling comes as Israel has reiterated its determination to track down those responsible for attacking Israeli and Jewish targets on its borders and around the world.

The Israeli government also issued instructions on Thursday to its diplomatic missions to observe extreme vigilance in anticipation of further attacks in the next few days, while in the United States the FBI warned Israeli diplomatic missions to take special precautions against further attacks by terrorist groups.

Speaking of Iran's responsibility for the attacks, Prime Minister Yitzhak Rabin insisted in Washington on Tuesday and again in Jerusalem on Wednesday that Tehran was directing an international Iranian-sponsored terrorist network that is now targeting Israeli and Jewish interests around the world.

The cabinet meeting in Lebanon was held following reports that the government had rejected a request by Argentina to extradite a senior Muslim fundamentalist and pro-Iranian leader, Sheikh Sobhi Toftali, who lives in Lebanon.

The Ad Dilyar newspaper reported that he was wanted for questioning in the car-bomb attack in Buenos Aires. Lebanon reacted sharply, saying it would not take any action against any of its citizens without proof.

There also was speculation in Jerusalem on Thursday that the Israeli Air Force had been intensively training to mount a military operation against Iran.

While Israeli officials would not comment publicly on any of the speculation, a senior official who spoke on condition of anonymity said that "it is no secret that Israel will not sit and watch as terrorists attack it or attack Jewish targets around the world."

Endless Run for the Sun Keeps German Tourists on the Go

By Rick Atkinson
Washington Post Service

BERLIN — Even in the midst of the warmest July in memory, winter never seems far away. Sunny days and balmy nights are brief interludes in Germany's true meteorological state — dreary cold and rain. Berlin, after all, occupies the same latitude as Hudson Bay.

The German antidote is simple: Flee the country. And flee they do, by plane, by train, by automobile, by the tens of millions. Germans are world champion travelers, peacefully colonizing the Mediterranean, the Caribbean, Florida, the Maldives — any place they can spread a beach towel and soak up enough sun to carry them through another endless winter.

A nation of 80 million people last year took 43.5 million holiday trips, more than two-thirds of them

outside Germany. The deepest economic recession since World War II notwithstanding, that amounted to an 8 percent increase over 1992. According to a study by the Dresdner Bank, Germans devote nearly 4 percent of "private consumption" spending to foreign travel, compared with 1 percent for Americans. Last year, German tourists spent \$39 billion indulging their passion for faraway places.

When schools recessed for summer vacation earlier this month, the exodus became a stampede. Long stretches of beach in Spain and Italy are now known as Costa Germanica and the Teutonic Grill. A London tabloid last month featured a comely model wrapped in a towel inscribed, "I got to the pool before the Germans!"

German newspapers routinely carry features from Majorca or the Canary Islands on the squabbling over

lounge chairs and beach umbrellas between lobster-red German tourists and their outnumbered, if equally broiled, North European brethren. Der Spiegel, in an article entitled "Island of Lunacy," noted that a few years ago Majorca's Playa del Palma "belonged to vacationers from all European countries." Now the beach is known as "Germany's 17th state" in tribute to the 2.2 million German visitors who will visit the Mediterranean island this year.

Where else do they go, these Marco Polos of the Rhine? Well, where don't they go? Italy's Adriatic coast expects 700,000 Germans this summer, up by 100,000 over 1993. German visitors spent 65 million nights in Austria last year, two-thirds of the total in that tourist-infested country.

Not quite 2 million also made it to the United States in 1993, a number expected to increase by 8 percent to

10 percent this year. A third go to Florida, although visits to the Miami area have dropped this season since well-publicized criminal attacks on German tourists. Another third make it to California and, reflecting German fascination with wide-open spaces and the Wild West, one in every 10 visits the Grand Canyon.

Statistically, according to the German Travel Agents' and Tour Operators' Association, the most popular foreign destinations are Spain, Italy, Austria, France and Greece. But Germans also took 2.5 million holiday trips to Eastern Europe and 5.6 million so-called "long haul" voyages outside Europe in 1993.

"There must be something in the German mentality — I would call it a sense of exploration," said Eva Kiebach, spokeswoman for the U.S. Commerce Department's Travel and Tourism Administration office

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Dow Jones		Trib Index	
Up	10.36	Down	0.34%
	3730.83		113.08
The Dollar		Thurs. close	
New York		1.5816	1.5744
DM		1.5263	1.5321
Pound		100.05	98.425
Yen		5.433	5.382
FF			
Newsstand Prices			
Andorra	9.00 FF	Luxembourg	60 L. Fr
Antilles	11.20 FF	Morocco	12 Dh
Cameroon	1.400 CFA	Qatar	8.00 Riels
Egypt	E.P. 5000	Réunion	11.20 FF
France	9.00 FF	Saudi Arabia	9.00 R.
Gabon	960 CFA	Senegal	960 CFA
Greece	300 Dr.	Spain	200 PTAS
Italy	2,600 Lire	Tunisia	1,000 Din
Ivory Coast	1,120 CFA	Turkey	T.L. 25,000
Jordan	1 JD	U.A.E.	3.50 Dirh
Lebanon	US\$ 1.50	U.S. Mil. (Eur.)	\$1.10

Pope Offends Jews by Granting Waldheim a Knighthood

By Barry James
International Herald Tribune

Just as relations between the Vatican and Israel were improving, Pope John Paul II has offended many Jews around the world by conferring a high honor on the former Austrian president and alleged Nazi war criminal, Kurt Waldheim.

Only three weeks after the Vatican finalized its recognition of Israel and exchanging ambassadors, the Pope conferred a papal knighthood on Mr. Waldheim, the Order of Pius IX.

Vatican sources said the Pope approved the honor earlier this year. The order was conferred at a private ceremony in the Papal Nunciature, an embassy, in Vienna on July 6 by the nuncio, Archbishop Donato Sguicciardini.

The honor officially recognized Mr. Wald-

heim's "efforts for peace" and humanitarian activities as United Nations secretary-general from 1972 to 1980.

Neither the Vatican nor Mr. Waldheim have commented on the award.

Less than five months ago, the U.S. Justice Department issued a damning report on Mr. Waldheim's war record, accusing him of executing and probably ordering a series of atrocities. He has been barred from the United States since 1987 as a suspected war criminal.

The report said that Mr. Waldheim "occupied positions of increasing responsibility and sensitivity, for which he was decorated, in regions where notoriously brutal actions were undertaken by the Nazi forces in which he served."

The report said the units in which Mr. Wald-

heim served were responsible for massacring civilians, executing prisoners, shipping prisoners to slave labor camps and identifying Jews for deportation. It said Mr. Waldheim's denial of the war crimes charges was unconvincing.

An international commission of historians set up by the Austrian government also concluded that Mr. Waldheim facilitated Nazi atrocities by his activities as an intelligence officer in the Balkans. The commission found that Mr. Waldheim had volunteered to join the Nazi Brown Shirts, an armed militia responsible for many atrocities against Jews.

Jewish sources said that because of the political importance of the diplomatic recognition between the Vatican and Israel, that agreement probably will not be affected by the Pope's action. Nevertheless, they described it as a slap

in the face at a time when the Pope appeared to be working for an end to traditional Roman Catholic-Jewish mistrust and hostility.

Robert Goldmann, the European representative of the Anti-Defamation League, said the league condemned the award "in the strongest terms."

"One must wonder and be amazed at the judgment of those who made this award," Mr. Goldmann said. "It is the view of this organization that the Vatican owes the world an explanation for an award that is at least incongruous and at worst a devaluation of the work of those who genuinely labor for, and are committed to, safeguarding human rights."

The Order of Pius IX is one of five orders of knighthood conferred directly by the Pope, who officially received Mr. Waldheim in 1987 amid widespread international protest.

U.K. Lords Decry 'Massive' EU Fraud

Reuters

LONDON — European Union taxpayers are being defrauded on a massive scale and neither the European Commission nor national governments are willing to crack down on the cheats, a committee of the House of Lords said in a report prepared for release on Friday.

Members of Britain's unelected upper house of Parliament painted a picture of rampant fraud in the EU spawned by a spending culture in Brussels and perpetuated by a lack of political will to do anything about it.

"The fraud is massive and growing," Lord Hunt, a former cabinet secretary, said at a news conference. "It is an absolute scandal and a gross abuse of the taxpayers' money."

Lord Hunt, chairman of the Lords Select Committee on the European Communities, said it was impossible to estimate the fraud since the cheating that was detected was just the tip of an iceberg.

But he said one expert, Professor Klaus Tiedmann of Germany's Freiburg University, had put the fraud at 7 percent to 10 percent of the EU's budget, or about £4 billion to £5 billion (\$6 billion to \$7.5 billion).

The Lords report recaps some of the abuses listed by the European Commission in its 1993 report on fraud:

• More than 90 percent of olive oil bought by the EU in Italy was substandard, costing tax-

payers 33.6 million European Currency Units (\$41 million).
• Also in Italy, 22 million Ecus was paid for training courses for airline staff that never took place.

• In Italy, Greece and France, the EU paid 91.5 million Ecus for wheat that either did not exist or had deteriorated.

The European Commission put forward a new strategy in March to combat the cheating, but the Lords committee said it was totally inadequate.

The peers called for more emphasis on fraud prevention as distinct from detection, a stronger EU court of auditors and the appointment of a task force to review where the EU's financial controls are failing.

A big problem is that EU member states have little incentive or political will to tackle the cheating, the panel said.



COOLING-OFF PERIOD — President Lech Walesa of Poland making the most of a break from the business of government on Thursday by taking a refreshing dip in a lake at the presidential residence in Otwock, near Warsaw.

Berlusconi to Offer a Plan on Walling Off His Business Empire

Compiled by Our Staff From Dispatches

ROME — Prime Minister Silvio Berlusconi of Italy will propose on Friday a plan to keep his business empire separate from his political office, political sources here said Thursday.

Mr. Berlusconi has come under intense political fire over an alleged conflict between the interests of his \$7 billion-a-year

Fininvest empire and his position as head of government.

The sources said Mr. Berlusconi would disclose his plan at a midday news conference.

Under the proposal, the executives of Berlusconi's companies would report directly to a committee that would have the right to veto any business move it disagreed with.

"It is a real separation of powers," said one source who

demanded anonymity. "It will cut all links between Berlusconi and his company."

Mr. Berlusconi held a controversial meeting at the weekend of cabinet colleagues and executives of Fininvest. The guests said it was a private gathering, but critics argued that those present must have discussed a graft inquiry involving Fininvest executives and Mr. Berlusconi's brother, Paolo.

The prime minister's brother refused to meet Thursday with magistrates investigating possible bribery on behalf of the prime minister's media-based Fininvest, his lawyer said.

The brother was still at large despite a warrant for his arrest on corruption charges.

The lawyer, Vittorio Virga, said Mr. Berlusconi was willing to meet the investigating magis-

trate but the conditions under which he would be questioned had not yet been negotiated. The political turmoil kept pressure on the lira, which reached a record low against the Deutsche mark, although the currency managed a small gain in late European trading.

The mark traded as high as 1,010.50 lire, although it closed at 1,005.37 in London, down from 1,006.5. (Reuters, AP)

Moscow Exerts Pressure, but Bosnian Serbs Are Holding Out

By Steven Erlanger
New York Times Service

MOSCOW — With a weekend deadline approaching on Bosnia, Russia still expects the Bosnian Serbs to accept the peace plan drawn up by the major powers, Foreign Minister Andrei V. Kozyrev said Thursday.

"There's still time," Mr. Kozyrev said in an interview before heading to Geneva for a weekend meeting of foreign ministers. "There's still two days before we meet in Geneva."

"And I hope in these days the message we communicated through General Grachev will be properly understood by the Serbs. We expect them, like the other sides, to say yes."

[The Bosnia Serbs said Thursday they were sticking to their previous position, which was widely viewed as tantamount to a rejection. Agence France-Presse reported from Belgrade. Their self-proclaimed parliament, ending a special session Thursday on the international peace plan, said the Bosnian Serb side was willing to

take part in negotiations but had "decided to maintain its positions" stated last week.]

The Russian defense minister, General Pavel S. Grachev, returned Thursday from a trip to Serbia as part of a Russian effort to get the Bosnian Serbs to change their minds and accept the "take it or leave it" peace plan.

Mr. Kozyrev said the Russians had decided that General Grachev, better than any diplomat, would be able to speak to Bosnian Serbian military commanders in terms they would understand.

"We're trying to provide them as persuasive an argument as possible; that's what the international community wants and expects us to do, as traditional friends of the Serbs," Mr. Kozyrev said.

But he acknowledged frustration with the Bosnian Serbs, saying, "No one controls them."

The major powers — the United States, Russia, Britain, France and Germany — have warned the Serbs that they faced tighter economic sanctions, increased military pressure and a

removal of the international arms embargo on the Muslim-led Bosnian government if they did not back the peace plan.

But Western diplomats say there is reluctance on the part of the Russians, as well as the British and French, to start punishing the Serbs immediately if the plan is rejected. That is a topic Mr. Kozyrev refused to discuss.

The diplomats say that the Bosnian Serbs must accept the patchwork map for the partition of Bosnia-Herzegovina, which offers the Serbs 49 percent of Bosnia and the Muslims and the Croats allies 51 percent. Constitutional arrangements and other details can remain negotiable, the diplomats say.

Mr. Kozyrev said the Russians were offering the Bosnian Serbs another inducement to agree: a larger contingent of Russian peacekeepers, not only around Sarajevo but in other areas the Serbs may specify.

But he stressed the Russian position, also stated by General Grachev, that any Russian peacekeepers must be under the command of the

United Nations, not the North Atlantic Treaty Organization.

Serb Attack Condemned

Furious over an ambush that killed a British soldier, the commander of peacekeepers in Bosnia accused Serbian forces Thursday of deliberately attacking a United Nations fuel convoy and rejected their excuse as "worthless." The Associated Press reported from Sarajevo.

The commander, Lieutenant General Michael Rose, traveled to the Bosnian Serbs' stronghold of Pale to protest the ambush Wednesday of the convoy and a subsequent attack on French peacekeepers who came to the rescue.

The Serbs asserted that their soldiers had fired on the trucks because they mistook them for a Bosnian government convoy.

"This assertion subsequently proved wholly worthless, given the fact that fire later was opened on a French military unit that was attempting to recover the vehicles," General Rose said.

WORLD BRIEFS

Archer, Best-Selling British Writer, Cleared of Insider Trading Charges

LONDON (Reuters) — Jeffrey Archer, a best-selling novelist and Conservative politician, has been cleared of insider trading, the British government said on Thursday.

The millionaire author of "Kane and Abel" and "Honor Among Thieves" and a close friend of Prime Minister John Major had been among individuals being investigated by the Department of Trade and Industry for alleged insider trading involving a television company's shares. He had denied any wrongdoing.

"I am delighted by the vindication and very grateful to all my friends and colleagues and well-wishers who have been so supportive during the last week," Mr. Archer told reporters.

The investigation centered on a £272 million (\$450 million) takeover bid in January for a regional broadcaster firm, Anglia Television Group, by London-based conglomerate MAL. Mr. Archer's wife, Mary, was on the Anglia board.

White House Rejects Deal With Haiti

WASHINGTON (Reuters) — The White House rejected on Thursday a reported overture from Haiti's military rulers to concede the resignation of Lieutenant General Raoul Cedras in order to block the return of the country's democratically elected president, the Reverend Jean-Bertrand Aristide.

The Haitian proposal included elections for a new president to replace the de facto president, Emile Jonassaint, The Washington Post reported. Mr. Jonassaint was installed by the military in May to replace Father Aristide. The Post said the offer of General Cedras's resignation was part of a strategy by Haiti's elite to gain international recognition and bring an easing of the United Nations trade embargo.

19 Buchenwald Attackers Arrested

ERFURT, Germany (Reuters) — Prosecutors on Thursday said 19 of 22 neo-Nazi skinheads who were released after rioting at the World War II death camp at Buchenwald in Thuringia on Saturday had now been placed under arrest.

The arrests came after heavy criticism was aimed at Thuringian police who broke up the attack but then released all but one of the attackers after briefly holding them for identification.

Party Chiefs Back Murayama on Army

TOKYO (AFP) — Japan's top Socialists gave approval on Thursday to Prime Minister Tomiichi Murayama's proposal to reverse a long-standing party stand declaring the military as unconstitutional.

The Social Democratic Party's central executive board also approved draft policy guidelines accepting the national flag and national anthem, as well as the U.S.-Japanese security treaty. The platform also states that the party would henceforth regard nuclear power as a "proper energy source."

Mr. Murayama had already declared that the Socialists would give up their traditional pacifist stance as part of efforts to maintain the governing coalition. The guidelines will be submitted for final approval at a party congress on Sept. 3.

French Fishing Boat Runs Blockade

BAYONNE, France (Reuters) — A French trawler broke through a Spanish blockade of its home port, Hendaye, and moved out to sea Thursday in a hail of bolts and stones thrown by Spanish fishermen angry over French tuna fishing methods.

The trawler Sandrine-Corinne broke through with the help of a French police launch from nearby Bayonne that had been allowed by the Spanish to enter the port, maritime authorities said. A few windows on the Sandrine-Corinne were shattered, they said. The fishermen conducting the blockade were to hold talks with the Spanish minister of agriculture, fisheries and food, Luis Asteiza, a ministry spokesman said. Spanish fishermen assert that the French are using drift nets that are longer than allowed by European Union regulations.

French Seize Tapie's Furniture

PARIS (AFP) — French authorities seized furniture early Thursday from the Paris home of Bernard Tapie, the debt-ridden tycoon and leftist member of Parliament, it was disclosed.

The seizure at the home of the politician, who faces fraud and tax evasion charges, was carried out at the order of one of his creditors, the bank Credit Lyonnais. Earlier, there were reports the seizure had been ordered by tax authorities. Mr. Tapie is said to owe the bank 1.2 billion francs (\$221 million).

Lag in U.S. AIDS Research Assailed

WASHINGTON (NYT) — A panel of the National Academy of Sciences said Wednesday that a lack of studies on sexual behavior and drug use had blocked progress in fighting AIDS.

The committee of the Institute of Medicine, which is part of the academy, said in a report that more research across disciplines was needed to attack AIDS and called for a comprehensive national survey of sexual behavior and drug use, which are the major contributors to the spread of AIDS.

Zimbabwe Police Halt Bank Protest

HARARE, Zimbabwe (Reuters) — Riot police dispersed more than 2,000 striking bank workers after they rampaged through this capital Thursday, as union chiefs held talks with government officials on a stoppage over pay increases that has crippled the financial sector.

The strikers, concerned that some of their members were returning to work under a management threat of dismissal, forced closing of the few banks to remain open. There was no violence.

TRAVEL UPDATE

The Baltic Sea has been invaded by blue-green toxic algae, Swedish scientists report. They urged people and pets to stay out of any tainted water. The algae has blossomed because of unusually warm, calm weather. Scientists believe a huge swath of the Baltic, stretching from southeastern Sweden across to Finland and south to Poland, Lithuania and Latvia, has been hit. (AP)

Heavy storms lashed the Belgian coast on Thursday, flooding hundreds of houses and roads and disrupting rail traffic, fire brigade officials said. (Reuters)

Nonstop flights from Hong Kong to Seattle will begin Nov. 1, Northwest Airlines said in Hong Kong. (AP)

Lagos International Airport has been closed in a strike by a Nigerian airport workers union demanding an end to military rule. (Reuters)

A strike has shut Sun City, South Africa's largest casino resort and third largest tourist attraction. A spokesman for Sun International, which owns the resort, 160 kilometers (100 miles) west of Johannesburg, described the strike as an "unlawful industrial action." (AFP)

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U.S. Army Plan Gives Women Some Combat Spots

By Eric Schmitt
New York Times Service

WASHINGTON — The army is planning to open to women more than 32,000 combat positions now closed to them, but strong protests from senior generals forced the civilian army secretary to retreat

from a much more ambitious plan.

The new plan would allow women into some units that are currently off-limits, but would keep them in rear headquarters in many units and restrict their ability to compete for assignments that are necessary to rise to the army's top ranks.

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BERLIN: Grand Hotel Esplanade
HAMBURG: Bleicherhof

The army secretary, Togo D. West Jr., and General Gordon R. Sullivan, the army chief of staff, clashed last month over how widely to expand opportunities for women on the battlefield. Mr. West wanted to open virtually all positions not likely to involve direct combat.

Under Mr. West's original plan, positions would have been opened in units such as the helicopter groups that lift special operations troops into combat.

But many generals argued that women were not physically fit for such units and would cause morale problems.

Under the compromise plan, women would be assigned to air

defense artillery battalions, helicopters that fly cover for tanks, and battalion headquarters of combat engineers and special operations forces, army officials said.

But women would still be barred from more than a quarter of the army's jobs, including operating an advanced field artillery weapon called the Multiple Launch Rocket System, or flying helicopters carrying special operations troops.

If approved by Defense Secretary William J. Perry, the plan would effectively block women from advancing along the three main routes to the army's senior leadership: armor, infantry and field artillery.

English Depose Atheist Vicar

Reuters

LONDON — The Church of England has dismissed a vicar who does not believe in God, sparking angry protests Thursday from 65 of his fellow clergymen.

The Reverend Anthony Freeman, 48, was dismissed by his local bishop after writing in a book, "There is nothing out there — or if there is, we can have no knowledge of it."

Sixty-five clerics said the order, "reverses a long Church of England tradition that tolerates and values a wide range of views."

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THE AMERICAS / JIGGLING THE POLICY

Republicans Launch Foreign Policy Assault on Clinton

By Ann Devroy
and Daniel Williams
Washington Post Service

WASHINGTON — The best the Republican Party has to offer in the foreign policy field has moved from scattered attacks to a full-scale assault on President Bill Clinton's handling of foreign policy, accusing the Democratic administration of incompetence.

The chief practitioners at a forum held Wednesday, former Secretary of State James A. Baker 3d and former Defense Secretary Richard B. Cheney, are potential rivals for the 1996 Republican Party presidential nomination.

They lost their jobs in an election in which President George Bush allowed Mr. Clinton to make domestic policy — and Mr. Bush's lack of it — the ground on which the battle for the White House would be waged. Watching foreign crises bedevil Mr. Clinton almost daily, the Republicans are trying to get back the political territory they ceded.

Mr. Baker, Mr. Cheney, Henry A. Kissinger, who was secretary of state in the Nixon and Ford

administrations, and the former chief delegate to the United Nations, Jeane J. Kirkpatrick, made clear in addresses to the Republican National Committee Foreign Policy Forum that competence — not simply President Clinton's policies — has become a central Republican Party theme.

Mr. Baker said that to most Americans, foreign policy is like the plumbing. Little attention is paid "until something goes wrong, and then all hell breaks loose."

By that measure, he and others put Mr. Clinton's successful handling of the Middle East and relations with Russia and former Soviet states into the working-plumbing category: Little attention is paid. But the problems of Haiti, Bosnia, Somalia and a handful of other issues are examples of things going sufficiently wrong as to make the nation take note, they said.

Mr. Clinton, Mr. Baker said, "has squandered American credibility and undermined our preeminence around the world." He accused the president of lacking "an overall plan and strategic direction" for his foreign policy and of failing to assess and act on issues in proportion to the American national interests involved.

Mr. Baker, Mr. Cheney and Mrs. Kirkpatrick all said Haiti, where Mr. Clinton has threatened an invasion, is not a vital U.S. interest. They said it was not worth American bloodshed, and that South Korea, instead, should be the priority interest.

Mr. Baker and Mr. Cheney suggested that the Clinton administration has lacked resolve in facing up to North Korea. Mr. Cheney mocked former President Jimmy Carter's visit to Pyongyang, in particular his suggestion that North Korea was not an outlaw state.

Neither of the officials who served in the Bush administration was asked — or has offered — to explain their administration's lack of action when Pyongyang took the first steps to divert nuclear material to build a bomb during 1989.

Mr. Baker said the president's resolve does not match his rhetoric. "A United States president should never, never, never threaten the use of force unless he is prepared to follow up," he said, a reference to Clinton statements on Bosnia and Haiti.

Mr. Cheney was even tougher. He said the Clinton administration was one of "the least competent in the 20th century." He called the Clinton handling of Haiti an "abject national embarrassment" and accused the Democrats of allowing the military to become dangerously underfunded.

With less-pointed language, Mr. Kissinger made a similar case. He said the Clinton foreign policy team had been unable to grasp the realities of power or the lessons of history.

The partisan attack comes at a time when Mr. Clinton is walking a tightrope over a canyon of potential crises.

He is pledged to restore President Jean-Bertrand Aristide to power in Haiti, by use of arms if necessary.

He is committed to punishing the Bosnian Serbs for rejection of an internationally brokered Balkan peace pact, through use of American air power.

U.S. troops are being sent to the margins of ravaged Rwanda without much of a clear idea how the brutal civil war there will be resolved.

★ POLITICAL NOTES ★

Republican Right Worries the Middle

WASHINGTON — Many middle-of-the-road Republicans, including some senior members of the Senate, have concluded with a mixture of alarm and amazement that the Religious Right — already a potent force at the grass roots level — is poised to take control of the national party and precipitate a political confrontation unparalleled since the rise of Barry M. Goldwater 30 years ago.

And, they say, these moderate Republicans have only themselves to blame. While Christian conservatives have worked tirelessly to take over party organizations at all levels from coast to coast, party moderates have remained passive on the sidelines, unwilling to fight with members of their own party over abortion and other explosive social policy issues that dominate the conservatives' agenda.

Unless their own wing becomes more aggressive, the mainstream Republicans warn, the Religious Right will reach the stated goal of the Christian Coalition founder, Pat Robertson, of winning "a working majority of the Republican Party" by 1996. And that could alienate millions of independent voters.

"If we let this thing continue to percolate without attacking it head-on," declares Senator Arlen Specter, Republican of Pennsylvania, a leading moderate, "we will assure President Clinton's re-election."

Senator Nancy Landon Kassebaum, Republican of Kansas, shares Mr. Specter's assessment. The Religious Right "has taken over a lot in Kansas," she says, "including my own county organization."

"Part of the problem," she says, "is that moderates aren't willing to work in the trenches, while the Christian conservatives have gone door to door and worked hard and won control fair and square. My hat's off to them for that." (LAT)

House Acts to Save California Desert

WASHINGTON — The House approved legislation extending wilderness protection to almost a third of the 25 million acres of California desert.

The House adopted the bill on a 298 to 128 vote Wednesday, concluding a fractious debate that began in May and marking an important milestone in a quarter-century long effort by conservationists to preserve a huge area of the Mojave, Sonoran and Great Basin desert areas.

Those lands have been under development pressure from a urban populations. The bill now goes to a conference committee with the Senate, which passed its own measure in April.

If approved in final form and signed into law, the California Desert Protection Act will create more wilderness at one stroke in the lower 48 states than any legislation in history. Only the 1980 Alaska Lands Act protected more federal land from development.

The California desert, extending over much of the south-eastern part of the state, is rich in biological, geological and archaeological resources.

It has 760 species of wildlife, including endangered species such as the desert tortoise, and it has scores of mountain ranges, extinct volcanoes, huge sand dunes and uncounted pictographs and petroglyphs left by early American Indian cultures. (WFP)

Quote/Unquote

Former Secretary of State James A. Baker 3d on President Bill Clinton's handling of foreign policy: "We have a situation where promises are unkept; we have a situation where policy flip-flops debate the currency of United States credibility. With Haiti alone, the United States seems to change policies more often than most of us seem to change shirts. And it is July here in Washington."

Simpson Hot Line: 250,000 'Clues'

By Jim Newton
Los Angeles Times Service

LOS ANGELES — Encouraged by the promise of a huge reward or the chance to contribute to the investigation, 250,000 callers have flooded a newly created hotline with tips about the O.J. Simpson murder case, while similarly besieged police have designated a full-time "clue chaser" to run down the leads coming to them.

"It's beyond belief," Mr. Simpson's lead attorney, Robert L. Shapiro, said Wednesday of the hotline deluge. He said calls have become so overwhelming that the operators have had to install a special back-up recording system to keep up with the crush.

Tipsters have included private investigators with clues based largely on news reports, amateur detectives with theories implicating other would-be suspects and people claiming to have witnessed the events surrounding the murders of Nicole Brown Simpson, 35, and Ronald L. Goldman, 25, on June 12 outside her condominium in the Brentwood section of Los Angeles.

Although some of the tips are seemingly credible, many appear to be the products of overactive imaginations. One Maryland woman has called repeatedly to tell of dreams in

which she sees another killer. To her frustration, Mr. Simpson's camp has not gotten back to her.

"We're hearing from every psycho and every crazy person," said Bill Pavelic, an investigative consultant working with the Simpson team. "But if I get one call in a hundred that's a good lead, it's worth it."

Rising to that thin promise, investigators on both sides of the probe are painstakingly chasing down each of their leads, reluctant to pass up any information that could later prove important.

The pace of tips has persuaded some Los Angeles Police Department officials that Mr. Simpson's camp may be fueling the fires in part to occupy detectives who might otherwise be building a case against Mr. Simpson, 47.

Any tip that is not checked out could be used against the prosecution at trial, Mr. Simpson's camp already has made clear its intention to attack the thoroughness and competence of the investigation into their client.

"There's people that are giving us theories, there's psychics, that kind of thing," said Detective Dennis Payne of the police department's Robbery-Homicide Division. "And then there's people who have information. We're checking it all out."



Robert L. Shapiro, lead attorney for O.J. Simpson, at the Los Angeles courthouse.

Ex-Counsel Denies He Tried to Influence Whitewater Inquiry

Compiled by Our Staff From Dispatches

WASHINGTON — The former White House counsel, Bernard W. Nussbaum, denied on Thursday that he or anyone else at the White House had tried to influence the government investigation of the Whitewater affair. He said meetings that he had held with banking regulators "were proper."

"I did not, nor as far as I am aware, did anyone else at the White House ever seek to direct the outcome of or interfere with that investigation," Mr. Nussbaum told the House Banking Committee on the second day of its hearing into Whitewater. The contacts by White House

officials concerned a decision by Resolution Trust Corp., which investigated failed savings and loan institutions, to refer an investigation of the collapsed Madison Guaranty Savings & Loan to the Justice Department for a possible criminal investigation. President Bill Clinton was named by Resolution Trust as a possible witness.

The owner of the savings and loan, James B. McDougal, and his wife, Susan, were partners of Mr. Clinton and his wife, Hillary Rodham Clinton, more than a decade ago in a vacation development project in Arkansas known as Whitewater.

Questions have been raised about whether federally insured funds from the bank were funneled into the failed investment and into retiring a Clinton campaign debt.

Looking back at the mood in the White House in late 1993, Mr. Nussbaum said Whitewater was "not a major crisis."

Mr. Nussbaum said he had been told by the Treasury Department's general counsel, Jean Hanson, that there was a referral for a possible criminal investigation of Madison.

"The Clintons were not objects or targets of the investigation," Mr. Nussbaum said. "They were potential witnesses."

he said, as investors in the Whitewater land deal with the owner of the savings and loan.

Republicans countered that the Clintons had been given special treatment by receiving information about the Madison investigation.

Describing a series of meetings that he had held with government officials, Mr. Nussbaum said: "We recognize that as a general proposition, they should not occur. However, there was no flat prohibition."

But he said the discussions were justified because the White House needed to be informed to respond to press leaks about the investigation.

He spent considerable time explaining the one contact that his successor, Lloyd N. Cutler, has called improper. Mr. Nussbaum acknowledged that he

had questioned whether it was proper for Roger C. Altman, the acting head of Resolution Trust, to recuse himself from the investigation. (AP, Reuters)

House Hearings Roil Waters at Treasury

By Stephen Labaton
New York Times Service

WASHINGTON — The Whitewater hearings have created a bitter rift between the Treasury secretary, the deputy secretary and the department's top lawyer that officials said would lead almost inevitably to a shake-up at the department.

The three officials have provided investigators with conflicting accounts of their roles concerning contacts with the White House about the Whitewater case.

As word of the discrepancies have filtered out in recent days, tensions within the Treasury Department have increased to the point where the lawyer and her clients deeply distrust one another, officials said.

The conflicts involve Secretary Lloyd Bentsen, a former senator from Texas who has sought to put himself above the Whitewater fray; Deputy Treasury Secretary Roger C. Altman, a college friend of President Bill Clinton who was seen

as a likely successor to Mr. Bentsen until Whitewater bubbled up, and the general counsel, Jean E. Hanson, a Minnesota native and Washington newcomer who friends say is feeling increasingly isolated as the two others deny her version of events.

Officials said that Mr. Bentsen was also displeased with Mr. Altman's handling of the case, but that for now, he is offering him at least a modicum of public support.

Next week, the three officials will appear before the House and Senate Banking committees. One person involved in the proceeding likened the preparation for the hearings to getting ready for a civil lawsuit.

Until Whitewater threw it off balance, Treasury had been the most trouble-free of the administration's major cabinet departments.

Mr. Bentsen and Mr. Altman both played significant roles in pressing a number of top Clinton priorities, like the budget and the North American Free Trade Agreement.

At issue in a series of events involving Ms. Hanson and Mr. Altman in his role at the Resolution Trust Corp., the independent agency overseeing the savings and loan bailout.

In addition to his Treasury job, Mr. Altman was acting as the trust corporation's head. Mr. Bentsen by law is the head of the policy-making arm of the trust corporation.

Last Sept. 29, Ms. Hanson briefed the White House counsel at the time, Bernard W. Nussbaum, about a trust corporation investigation into an Arkansas savings association, Madison Guaranty, owned by the Clintons' partner in the Whitewater real-estate venture, and into a law firm where Hillary Rodham Clinton had been a partner.

The meeting was followed by a series of discussions between White House and Treasury officials about the investigation

which led to Mr. Nussbaum's resignation when they were revealed this spring.

The accounts of the three Treasury officials have been provided to The New York Times by investigators and colleagues of the officials who are seeking to either defend or embarrass them.

Mr. Bentsen has said he was never involved in the White House-Treasury contacts and knew nothing of the talks that occurred in September and February until they were revealed in news accounts in March.

Mr. Altman has said that he knew nothing of Ms. Hanson's briefing of Mr. Nussbaum in September.

Ms. Hanson has said that she went to the White House in September at Mr. Altman's instruction.

She wrote in a memorandum to Mr. Altman that she had briefed Mr. Bentsen in September about her talks with the White House.

Away From Politics

• What would have been the toughest workplace smoking ban in the United States has been put on hold by a judge in Annapolis, Maryland. Circuit Court Judge William Horn issued a 10-day temporary injunction, saying opponents had proved the ban could hurt businesses. The regulation, scheduled to take effect Aug. 1, is being challenged by businesses, trade associations and tobacco companies.

• Four people were slightly injured when lightning struck near a tram unloading passengers at Walt Disney World's Magic Kingdom in Lake Buena Vista, Florida. No one was hit directly by the lightning bolt, which struck in a parking lot near the ticket and transportation center.

• New Crayola crayons that create smells of chocolate, bubble gum and fruit when used may tempt children to eat them and should be removed from stores, the New York state consumer chief says. "Magic Scent" crayons, introduced last week, have

tiny, aroma-filled capsules mixed into the wax. The capsules burst as the crayon rubs paper.

• A "tragic human error" by a fingerprint examiner in Albany, New York, allowed a man sought on murder charges to slip through the hands of New York City law enforcement officials, apparently allowing him to kill again, state officials said. Andre Foreman was released after a fingerprint check showed no prior arrests. Then on July 9, the police say, he stabbed his pregnant girlfriend, Cheryl Newbold, 31, in Central Park, where both had been living in a tent.

• While a single attempt to make a test tube baby costs about \$8,000, the procedure fails so often that the average price of a successful pregnancy approaches 10 times that, according to a study. The study was conducted by Dr. Peter J. Neumann of Project Hope in Bethesda, Maryland. (AP, NYT)

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Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Congress Looks at China

Last year, President Bill Clinton found a constructive way to heal the rift between Congress and the White House on China, linking Beijing's trade privileges to modest improvements in its human rights performance. But this year, after an aggressive business lobbying campaign, he junked his own solution and extended trade privileges unconditionally. Now it is up to Congress to try to repair the damage. It can begin by passing legislation that would re-link tariff rates for certain Chinese goods to minimum human rights standards.

The annual struggle over China's tariffs stems from the outrage that many Americans felt when Deng Xiaoping ordered army tanks to mow down students demonstrating for democracy in Beijing's Tiananmen Square five years ago. But the issue is no longer just Tiananmen. That one barbaric act unmasked the true nature of a regime that was known abroad mainly for its economic reforms.

Now people are more aware that China tortures prisoners, persecutes religious believers, and is waging a sustained assault against the indigenous culture of Tibet. It also profits from selling Americans the products of prison labor and violates human rights pledges to Washington. China will continue to flout international norms as long as it believes it is immune from serious retaliation.

On Thursday, a House subcommittee holds hearings on a bill introduced by Nancy Pelosi, Richard Gephardt and David Bonior that would impose high tariffs

on products made or exported by the Chinese army or associated military companies or by certain state industries previously named by the U.S. trade representative as possible targets for retaliation in trade disputes. Exports from private businesses and joint ventures would be exempt. About a sixth of Chinese exports would be affected.

The bill also asks the administration to encourage U.S. businesses in China to follow a voluntary code of conduct, a step which Mr. Clinton said he favored at the time he abandoned his own human rights sanctions but in which he seems to have lost interest since.

The point is not to punish China, but to maximize the positive influence that America could exercise as its biggest customer. Beijing's sales to the United States, from which it earns almost four times as much as it pays out for purchases in America, are indispensable to China's development. China's leaders understand this very well, even if America's do not.

The Pelosi-Gephardt-Bonior bill enjoys wide support and could win a majority when it comes to the House floor, probably next week. A companion Senate bill has been introduced by George Mitchell. Given the likelihood of a presidential veto, it is doubtful that these bills will ever become law. Still, they may help teach both the Chinese leaders and President Clinton that the human rights issue will not go away until China starts treating its people decently.

—THE NEW YORK TIMES

A Republican House?

Political predictions quickly become hopes, or fears, and political people start acting as if they might become true. So it is with the prospect that the Republicans just might take over the House of Representatives this fall. For outright Republican control, the party would need to pick up 40 seats; such a shift has not occurred since the post-Watergate election of 1974. But President Bill Clinton's popularity is low, and many Democratic incumbents from basically Republican districts are retiring. So while the Republican whip, Newt Gingrich, is a man whose bold predictions often border on the rash, his claims about Republican chances cannot be dismissed.

The prospect of a big shift in the House — even one short of a change in party control — is already having a large impact on legislation. House Republicans have been showing an exceptional degree of party discipline that translates into uniform opposition to virtually all of the Clinton program. What is significant is that the two dozen or so moderate-to-liberal Republicans in the House have not been throwing many votes the White House's way on crucial issues, the notable exception being the North American Free Trade Agreement, which began as a Republican initiative. But on issues

such as the budget and health care, loud and unified Republican "no" votes make legislating hard.

The Democrats are torn. Many who are running for re-election, especially from conservative districts, want to stay far away from Mr. Clinton and from anything looking remotely like liberal legislation. That means more "no" votes. Other Democrats want to pass as much as they can as fast as they can for fear that their opportunity for action will slip away in a Republican sweep this fall. Between these two impulses, there is little room for accommodation. No wonder Tom Foley and Dick Gephardt look tired.

Party discipline is not in itself a bad thing; it creates some real accountability as party labels come to take on meaning. Still, the intense partisanship of the moment is encouraging the very sort of bloody-minded, mean-spirited debate that the voters keep telling the pollsters they don't like. It is also making sensible action much harder on issues such as health care, welfare, the deficit and crime. As they contemplate whether to vote for Democratic or Republican House members, voters would do well to ask candidates if there is a road toward a healthier partisanship — or must things go on like this?

—THE WASHINGTON POST

Damaging the Universities

For decades now, the huge Pentagon budget has been used as a backdoor way to finance academic research and the training of graduate students in fields relevant to defense purposes — and valuable to the civilian economy as well. But this year the House Appropriations Committee chopped the Pentagon's budget for research at universities by half, from \$1.8 billion to about \$900 million, and the House went along with it.

The rationale was that, with defense budgets shrinking, defense research had to shrink, too. But some critics think the real reason was pique — that the Defense Appropriations Subcommittee, angered by attacks on its earmarking of funds for projects in its members' home districts,

chose these cuts to show the mainstream universities and their congressional champions who's boss.

Either way, the cuts would stagger academic science and engineering. The Pentagon provides more than 80 percent of the federal research funds for electrical engineering, more than 70 percent for materials and metallurgy, and more than 55 percent for computer sciences.

There may well be an argument for shifting these programs out of the Pentagon to civilian agencies, and even for trimming them back. But it is foolishly destructive to cut valued research so precipitously with no thought for the consequences.

—THE NEW YORK TIMES

Other Comment

Closer to Mideast Peace

The world witnessed King Hussein, President Bill Clinton and Prime Minister Yitzhak Rabin signing the Washington declaration in a televised ceremony. To the people of the Middle East, the event was an affirmation of the (beginning) of a new era in the region, an era of peace and prosperity.

The choice of Washington as the venue for the signing of both the PLO-Israel accord and (this) agreement indicates a general acceptance by the parties of the Arab-Israeli conflict that the United States is a trustworthy peace broker for the region. It is to be hoped that Washington will continue to play the role of a fair and honest broker, and will make further attempts to break the deadlock on the Syrian and Lebanese tracks.

Peace in the region, after 46 years of hostility, will come only through the development of mutual trust and good will. The Washington declaration commits Jordan and Israel to vigorous negotiations aimed at agreeing to a peace treaty, but the declaration itself is a step on the road to peace, not a treaty in itself.

—The Gulf Times (Doha, Qatar)

Jordan and Israel are in many respects complementary countries, economies and societies. Each was made smaller by being forbidden the other. Each is enlarged by the prospect of trade, tourism, cultural exchange and commercial cooperation between them. Such a relationship is the only context in which the autonomous state of Palestine, now being created between them, can prosper.

—The Baltimore Sun

A Bleak Future (See Rwanda) Is Here Ahead of Schedule

By Jessica Mathews

WASHINGTON — Step back a bit from the day-to-day unfolding of the world's crises, and a surprising picture emerges. Except for Bosnia and North Korea, the major conflicts that have owned the front pages for the past two years — Somalia, Rwanda, Haiti and the Middle East — are all rooted in a variety of mix of too many people, environmental shortages and acute poverty.

Security threats of this new kind — capable of dismembering nations as thoroughly as any external attack, and of metastasizing to neighboring states through ethnic tensions and floods of refugees — were supposed to be a feature of the next century.

Today the Pentagon is preparing for action on four fronts: Haiti, Bosnia, North Korea and Rwanda. Some of the troops involved are just home from Somalia. It seems the future has arrived sooner than expected.

In political terms, the catastrophes in Africa and Haiti seem unrelated. Warring clans heavily armed with weapons courtesy of the Cold War in Somalia, ethnic hatred in Rwanda and a centuries-old self-devouring political culture in Haiti are, indeed, very different. Yet behind their distinct politi-

cal manifestations is a chronicle of three eerily similar socioeconomic-environmental (we need a word for this) breakdowns.

In all three countries a majority of the population lives in absolute poverty. Life's graces of mind and soul, and even those of a healthy body, are absent. The essentials — food, basic health, shelter, employment, education — don't meet minimum levels. In Somalia, 60 percent live in absolute poverty, as do 76 percent in Haiti and 85 percent in Rwanda.

Life expectancy is 46 years in the two African countries and 10 years more in Haiti. In all three, the average person receives only 80 percent of the calories necessary for normal activity. The mean number of years of schooling in Somalia is 0.3, in Rwanda 1.1 and in Haiti still a shocking 1.7.

Rapid population growth drives these conditions. Rwanda's population density has been the highest in Africa — second only to Bangladesh among non-island developing countries — yet its growth has been soaring at 3.3 percent annually, close to the world's highest rate. The average woman has 8.5 children. On this

trajectory, Rwanda's population would double by 2011. Somalia's growth is only slightly slower. Haiti's 7 million people will be 14 million in 2025.

Large, poor and rapidly growing populations always mean environmental stress. Haiti, a mountainous country where trees are essential to hold the topsoil, has been almost completely deforested. Its little remaining forest is disappearing faster than anywhere in the world save the Ivory Coast and Nepal. The rate has accelerated as oil shortages caused by the sanctions force greater use of charcoal.

In Somalia, the environmental bottleneck is lack of water.

All three countries have suffered a ruinous drop in per capita food production, losing 16 to 22 percent in the last decade. Per capita GNP has plummeted. Haiti (presumably) and Rwanda have lost 2.4 percent per year for a decade.

Rwanda's calamitous exodus of a quarter of its population in a few weeks, with the consequent threat to Zaire and perhaps to the stability of other neighbors, oddly parallels the "threat" the Uni-

ed States feels from Haiti's boat people. The linkage to poverty, environmental decline and high growth is not coincidental. Of 28 countries last year that had mass forced migrations, half were among the poorest and all but six had population growth rates above 2 percent.

The Middle East is less different than it seems at first glance. The Palestinian problem, now the keystone of the Arab-Israeli conflict, has been around so long that it is easy to forget that it began as a small refugee problem.

Americans tend to see the conflict in purely political terms. Those in the region worry as much, perhaps more, about water.

Both Syria and Israel have used force to stop threatening water diversions by the other. Iraq destroyed Kuwait's desalination plants in the Gulf War, while the United States targeted Iraq's water systems. The Golan's strategic value lies in part in its command of the Jordan River's headwaters. Beneath the West Bank and Gaza is as much as 40 percent of Israel's water supply — a resource that will be vastly harder to relinquish than the land above it.

With populations growing by

record numbers in every Arab state, the future holds a darkening threat unless a comprehensive peace allows cooperative management of existing supplies and development of new ones soon.

We need new tools to deal with these kinds of slow-motion security threats. We have to learn how to decipher what the future holds in the earliest stages. We need some kind of early intervention mechanism with a low political threshold that can act long before inaction becomes intolerable, as now in Rwanda, and before population, economic and environmental imbalances spiral into irreversible or nearly irreversible decline.

The United States needs a lower-cost, more appropriate logistical arm than military forces. The cost in dollars and lives, domestic discord and leadership time and attention of recent crises that pose no threat to immediate American security and yet for various reasons compel American involvement suggests, finally, the need to rethink how the United States defines its vital interests.

The writer is a senior fellow at the Council on Foreign Relations. She contributed this column to The Washington Post.

If the United Nations Gives Up, Urgent Work Won't Be Done

By Flora Lewis

STOCKHOLM — And now it's Secretary-General Butros Ghali himself throwing up his hands on the United Nations, apparently overwhelmed. Take the UN forces out of Yugoslavia, he says, because if the war isn't stopped they are helpless targets, and if it is stopped they aren't strong enough to police a peace.

After nearly half a century of political paralysis which reduced the United Nations primarily to a talk shop, the possibility of concerted international action is too much to contemplate.

It isn't so surprising. There was a moment of unfocused optimism, and then the crises and the demands that the United Nations "do something" began piling up beyond anyone's readiness to respond. There is "intervention fatigue" as well as "compassion fatigue."

The world in its turbulence — which is precisely what the United Nations was organized to confront — suddenly looks hopeless, and the temptation is to give up. Meanwhile, rhetorical shibboleths about sovereignty and equality of every independent state have hardened into mindless reflex to take the place of facing reality.

The patience that steadied nerves and made small advances enthusiastically welcomed during the long Cold War, the

Arab-Israeli conflict, the struggle against apartheid seems to have evaporated. The attitude is becoming an insistence that if the world can't sort itself out, why go on trying? Or, at any rate, why not look away from the messy, aching present to a dreamy future?

It is so much less demanding and so morally satisfying to argue for the elimination of poverty, to trade definitions of "human security," to be intellectually rigorous about the need to recognize that all problems are inextricably linked — peace, material well-being, environment, the population explosion, health, "empowerment." If everything must be done at once, nothing is urgent.

A conference of the United Nations Development Study Program here entitled "Change: Social Conflict or Harmony?" managed a warm, thoughtful litany of all the good to be done and ideas to be carefully munched. There were some complaints that huge emergency relief operations and attempts at peacekeeping were draining UN resources and distracting it from the task of assuring economic and social progress in poor countries.

The only real disruption of the amiable atmosphere was from an interloper rep-

resenting the American right-winger Lyndon LaRouche, whose new crusade is against efforts to tamp the population explosion. "It's fascism with a feminist face," he shouted before he was expelled. Everyone was embarrassed.

There is a strange new debate between attending to the conflicts before our eyes or those clearly coming and the more noble issues, now melded under the slogan of "putting people first." It is made to sound as though war, economics, crime, bad governance, were not about people. This approach notices that people can be perverse, but it plans to cure that.

Everybody agrees that the United Nations, however flawed, cannot be replaced. But between the pretension that it should be able to look after everything and the disdain for its impotence, it is losing the chance of strengthening its actual capacity.

Among global strategists, the division is between those who, like Henry Kissinger, believe that the traditional balance of powers is the only way to keep some order in the world, and those who think that we can move on toward collective security and cooperation.

The times are on the cusp. It cannot be denied that reliance on balancing major powers always breaks down, with mounting levels of catastrophe that are unthink-

able in the nuclear age. Nor can it be denied that states have not yet reached the point of being sure that collective security and cooperation will work well enough. But the attempt is worth pursuing. This is no time to give up.

People are not going to stop being perverse, they are only human. Still, standards do change. No one continues to defend slavery. War is no longer exalted as the emblem of valor and glory, although conflicts break out. Racism exists, but it is not admired and upheld as natural. After long, hard campaigns, sufficient international cooperation was achieved to wipe out smallpox and contain some plagues, including locusts.

There is no more reason to think it is impossible to do better than to think it will be easy. It does take some modest persistence in the face of frustration, some grubby willingness to deal with the immediate as well as to plan ahead — as those extraordinary medical volunteers are doing in Rwanda.

Take heart, Mr. Butros Ghali, the UN game isn't lost — and it can't be turned over. There is no one to turn it over to, and you haven't the right to concede to the forces of chaos. The sheer quantity of crises is discouraging, but people can be dogged as well as delinquent.

© Flora Lewis

There's No Need for a Comprehensive Peace — Syria Can Wait

By Leon Wieseltier

WASHINGTON — The River Jordan no longer runs chilly and cold, and so American diplomats turn their eyes to Syria. Well, they should turn them back.

President Hafez Assad, the failing despot in Damascus, has almost nothing, except the grudging and late recognition of Israel, to offer. His gamesmanship is no longer fascinating. His indifference to the moral, historical and sentimental motives of political action is tiresome.

King Hussein of Jordan and Prime Minister Yitzhak Rabin of Israel accomplished many things in Washington, and one of them was to expose Mr. Assad as a rank anachronism.

The breakthrough between Is-

rael and Jordan is exhilarating, after all, because it is not altogether a breakthrough. This reconciliation is a little redundant, and that is the beauty of it.

Between Israel and Jordan, the reality of peace preceded the promise of peace by more than a quarter of a century.

Between Israel and Syria, too, the border has been still for decades. But not all stillness is the same. Mr. Assad fills the stillness with hostility, anxiety, intrigue — and, on his side of the border, with the peace of an efficient police state. Its disruption, at the city of Hama in 1982, was met with a massacre.

The violence that he will not tolerate in his own country he promotes in other countries.

There is a new alliance for regional peace and regional prosperity that includes Israel, Egypt, Jordan, the Palestinians, Morocco, Tunisia, Saudi Arabia and the United States.

Before this alliance, Syria is powerless. Its president is one of the great losers of our time. Why, then, court him?

The common answer is "a comprehensive peace."

This is the oldest dogma of the Middle Eastern peace process. It was adumbrated again by President Bill Clinton on the south lawn of

the White House on Monday, when he described the objective of the Washington Declaration as "a just, lasting and comprehensive peace." This dogma should have been retired in 1973, with the signing of a treaty between Egypt and Israel.

For the progress between Israel and Egypt, Israel and Jordan, Israel and the Palestine Liberation Organization has been gained not because of the ideal of comprehensiveness, but despite it.

Each of Israel's adversaries, impressed at last with the impossibility of the Jewish state, made its peace in its time and in its way, and none of them succeeded in blocking any of their journeys to reason.

By the standard of a comprehensive peace, the new dispensation between Israel and its region disappoints. But there is something wrong, surely, with such a standard. It makes work for diplomats, but it also insults the work that they have already completed.

The orthodox conception of comprehensiveness, moreover, is misleading. If a comprehensive peace means a peace that is not likely to be shattered by armies in the night, a peace that turns the energies of states and peoples toward what King Hussein — grandly reproducing the finest slogan of classical Zionism — called "what is normal," then there is a comprehensive peace and it has been shown not to have need of Syria.

Syria, of course, will eventually have need of it.

It is the professional peace pro-

cessors, led by the U.S. secretary of state, Warren Christopher, who now pack their bags and race to the "Syrian track."

In fact, they are proposing to restore to Syria the importance of which they have recently, and rightly, robbed it.

There is another reason to let the "Syrian track" lie: the nervousness of Israel.

There is nothing that Syria can give Israel that would be worth riddling the Israelis for. The accommodation with the PLO, a good accommodation that will have a troubled history, is riddling the Israelis quite enough.

From the standpoint of security, and from the standpoint of morality, the Palestinian question is the urgent question. It requires all of Israel's attention.

Asking the Israelis to surrender all or part of the Golan Heights in this great and dizzying season might be asking too much.

The smart man of Syria has been outsmarted. His cruelty, which will not be forgotten, has profited him nothing.

He sits churlishly in his capital, expecting the world to get excited that he permitted Syrian television to show the Syrian people a few minutes of coverage from Washington, a few minutes of truth about the rest of the world. His only allies are the mullahs in Tehran and the diplomats in Washington. Who needs him?

Anyway, he'll call.

The writer is literary editor of The New Republic. He contributed this to The New York Times.

Watching America's Military Show

By Frank Rich

NEW YORK — U.S. troops finally turned up in Goma, Zaire, last week, well after the wrenching images and stories of Rwandan refugees had saturated the American conscience. But they were hardly the most conspicuous representatives of the armed forces to make the news over the weekend.

In Saturday's paper alone, you could read about Sergeant First Class Ervin M. Graves of Fort Bragg, North Carolina, who had just received a life sentence for the murder and attempted rape of Lisa Bryant, a 21-year-old second lieutenant whose promising resume included an honors degree from Princeton.

Or about the Citadel, the state-supported military academy in Charleston, South Carolina, which had just been ordered in another courtroom to admit a woman, Shannon Faulkner, and in the process was berated by a federal judge for squandering public funds in its doomed defense of sexual discrimination.

Or about John H. Dalton, secretary of the navy. As reported by Jeff Gerth of The New York Times, Mr. Dalton had only recently and tardily settled a bad debt on a defaulted condo loan. He also turned out to have been an executive at two failed Texas savings and loans that were bailed out by taxpayers; the Federal Deposit Insurance Corporation had accused him of "gross negligence" in his management of one of them.

Why had Mr. Dalton's checkered financial past gone unmentioned during his rubber-stamp confirmation hearings

last year? Perhaps because he is a major Democratic fund-raiser. Certainly because Senator Sam Nunn, chairman of the Armed Services Committee, who bullies President Bill Clinton about all matters military, aired the awkward facts only in a closed-door session, lest they "bog down the process."

And these were only last weekend's headlines. Recent weeks have brought the latest twists in the cases of Sergeant Zaida Martinez, who accuses the air force of punishing her for pursuing a sexual harassment case, and navy Lieutenant Junior Grade Tracy Thorne, who faces expulsion for revealing his homosexuality on television and may soon challenge the preposterous Nunn-Clinton "Don't ask, don't tell" policy in court.

Like many Americans raised on Vietnam, I am unclear on the role of a U.S. military in the post-Cold War world. Unfortunately, so is Bill Clinton, who, unlike me, was elected commander in chief.

But even if he plans to procrastinate indefinitely rather than arrive at coherent policies on Haiti and Bosnia, surely the military can serve as more than a fount of bad news for women, homosexuals and taxpayers of all genders.

That was why I harbored hopes that the president, although having kept a characteristically distant from the genocidal Rwandan civil war, might at least have deployed U.S. forces with prompt efficiency in re-

sponse to the ensuing humanitarian tragedy.

But he acted only after he saw the same pictures of the dead and dying that the rest of us did — following, rather than leading — and even then the initial result of his military's engagement was of dubious benefit.

Ignoring the requests of the United Nations and others already involved in on-the-scene relief for logistical help, manpower and trucks, the Americans insisted on air-dropping food, and somewhat chaotically at that. (Fewer than half the 24 car-sized parcels reached the ground, rarely intact.)

A U.S. military aircraft flew in from Stuttgart bringing not only one forklift but also 18 journalists on a round-trip ride to hype the American largesse.

"This is a total public relations operation," said Alison Campbell of CARE, who accused the Americans of wasting the precious time and desperately strained resources of the relief effort as trucks were diverted to retrieve the scattered airdrops.

The public relations operation proved as disastrous as the rest of the military's recent PR — but it was mercifully short-lived. By Tuesday, American television viewers could finally spot a growing number of their soldiers hard at humanitarian work in Goma, building a water purification system to battle the raging cholera epidemic.

If you can forget the horrific images of the weeks before, this rare bit of good news about the Clinton-era military may not seem too little, too late.

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Virtues of Cocaine

PARIS — Cocaine, the alkaloid of the coca plant, enables to render insensible any portion of the body to which it is directly applied. Instead of placing the patient in a deep sleep, and of exposing him to the rare risks of chloroform or ether, it is easy to remove all feeling in a zone which has for a centre a subcutaneous injection of cocaine. A new property has just been discovered, that of lowering the fever, which discovery was made entirely by chance.

1919: The New Poland

WARSAW — As the Polish State becomes stronger and more and more of a reality to the people of this part of the world, it constantly tends to draw more and more to it seekers for help and protection, refugees from Russia and the chaotic Ukraine. Almost

every day brings in some foot-sore stranger from Kieff or some committee of citizens, even noblemen, disguised in beggars' rags, from the villages of Podolia and Volhynia. It is comparatively easy to build up a picture of the barbarity into which much of the country has sunk since the Armistice.

1944: A Plea for Pisa

ROME — [From our New York edition:] American and German artillery destroyed the Arno River tonight [July 28] in the opening stage of the battle for Pisa, and the fate of the historic city and its cultural monuments hung in the balance. There has been no official reply from either side to a plea by the Vatican City newspaper, "L'Osservatore Romano" that the belligerents "reflect seriously upon the moral consequences of deliberate destruction of Pisan monuments."

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From San Sebastián,
New Basque CuisineBy Patricia Wells
International Herald Tribune

SAN SEBASTIÁN, Spain—Classy, elegant, San Sebastián is like a small-scale seaside resort frozen in time. It's also a major gastronomic center, for Basques are considered Spain's best cooks and most enthusiastic eaters. The region claims some of the country's finest raw ingredients, including fish and shellfish, meat, smoked sheep's milk cheese, wild mushrooms, the best red Rioja Alta wines, the eminently drinkable white Txakoli wine, a pleasantly fizzy local cider, as well as an intense, almost lemony apple brandy, or sargador, that could compete any day with France's calvados.

The city rates an astonishing number of top restaurants, the newest of which is run by 34-year-old Martín Berasategui. He's the youngest of San Sebastián's celebrated chefs, yet he's probably been at the stove as long as most. From the age of 13 he worked in the kitchens of his parents' old-town restaurant, Bodegón Alejandro, where his mother picked up cooking tips from local fishermen who prepared their own meals in her kitchen for a small fee.

A year ago Berasategui moved his restaurant to the outskirts of town, where he expanded the family's modern house into a huge and airy contemporary restaurant decorated in a sea-foam blue, with a sparkling view of rolling hills and low-slung Basque farms. He took his staff and his Michelin star with him, and set up an expansive garden, full of herbs, vegetables, fruit trees and berries.

Like many of his passionate Basque cook-colleagues, he is a proponent of Spain's *nueva cocina vasca*, or lighter,

fresher, more seasonal modern cooking that gracefully maintains the integrity of traditional Basque cuisine. His food is light, subtle and pure. As he likes to say, "Butter and cream are for desserts only," so you won't find butter on the table or cream hidden in the soup. Olive oil is the fat of choice.

Starters here might include a platter of tapas, such as bites of rare tuna belly grilled over wooden charcoal that is made on the property; marinated fresh anchovies, and a delicate *escabeche* of tuna, sparked with a gentle acidity of tomatoes, onions and cider vinegar.

Most diners begin their meal with a glass or two of the local Txakoli, the fresh, lemony white wine from steep seaside vineyards. A fine local red to recommend is a light Rioja, *Vina Izadi* 1988.

Main courses range from such modern fare as a refreshing gazpacho of langoustines served in a martini glass to a boldly flavored asparagus soup touched with dill and a tiny briny oyster. A fine traditional suggestion includes an extraordinary rendition of local grilled hake or merluza. Elsewhere in the world hake is a trash fish gathered in nets, yet the Basques catch the fish by line, maintaining freshness and texture. Berasategui grills the tender, white-fleshed flaky fish over charcoal, marrying it with a brilliant green fresh fava bean puree.

On two recent visits, children of all ages were present in the dining room, natural for San Sebastián. Family values reign supreme in Basque country, and children accompany their parents everywhere, including tapas bars and top restaurants. On Sundays the restaurant offers a special children's menu that includes international favorites, such as pasta, steak and fries.



Restaurant Martín Berasategui, *Loidi Kalea 4, Lasarte, 366471. Closed Sunday night, Monday and two weeks at Christmas. Menus at 2,800 (\$21.50), 4,800, 6,800 pesetas. A la carte, 3,900 to 7,200 pesetas, including service but not wine.*

The Heart of the Zulu Kingdom

By Bill Keller
New York Times Service

JOHANNESBURG—The battlefield of Isandlwana has not changed much since the day in 1879 when the British redcoats suffered one of the most humiliating defeats of their imperial history. Seated on the crag the Zulus named Isandlwana—meaning "like a little house," although most visitors agree it looks more like a sphinx—you look down upon a wide, golden plain that rolls away into the heart of the Zulu kingdom. Except for a narrow road and a telephone line, there are few modern distractions from the tale of battle David Rattray is narrating for a spellbound audience.

There seems to be nothing Rattray does not know about the celestial swath of land that the Europeans called Natal, the Zulus called KwaZulu, and the all-accommodating new Government calls KwaZulu-Natal. He knows the bugs and bushes, the geology and the weather patterns, the language and the lore, but best of all he knows the history of battles. Many of the major battles of frontier South Africa, battles that still echo in contemporary politics, transpired within a few hours' drive of Fugitives' Drift Lodge, the comfortable guest house Rattray built on his father's farm.

Of them all, Isandlwana is his passion. An irresistible story of colliding empires, human valor and colonial condescension. By the time Rattray directs your gaze to the plateau on your left, from which 20,000 Zulu warriors cascaded down upon the astonished British, you have been listening, entranced, for almost two hours, longer than the battle of Isandlwana itself, and they are among the most rewarding two hours you have spent in South Africa.

Now that South Africa is not only politically acceptable but—given the universal affection for President Nelson Mandela—a potential pilgrimage destination,

it is inevitable that visitors will begin pushing off the well-trod tourist routes in search of something different. Most travelers will see Cape Town, of course, for its history and scenery and wine, and game reserves, led by the great, wild sprawl of Kruger National Park. But then what?

My first answer would be KwaZulu-Natal. It is heartbreakingly beautiful, easily accessible, filled with comfortable lodgings and rich in history that still matters today.

Three distinctive cultures cohabited, often brutally, in the rolling hills between the rugged coast of the Indian Ocean and the spectacular jut of the Drakensberg Mountains. The Zulus, the largest of South Africa's ethnic groups, are also one of the most fascinating political and military forces to have arisen on the continent, and Zulu nationalism remains a potent force today. The British, who pioneered the racist laws for which the Afrikaners would ultimately bear most of the responsibility, left their colonial stamp on everything. The Indians arrived as indentured workers on the British sugar cane farms but went on to make Durban the largest Indian city outside of India itself.

I anticipate the anxious question: "Natal... Zulus... isn't that where, uh...?" Yes, it is the province where 10,000 blacks have died since 1984 in fratricidal conflict between Mandela's African National Congress and partisans of the Inkatha Freedom Party. And no, that is not a reason for avoiding the area. The violence has subsided, and is confined to areas where outsiders are unlikely to venture.

It is possible to sample the best of the province comfortably in as little as a week. You could do it in a few days if you restrict yourself to Durban and the Zulu heartland, or you could extend your stay to linger in some of the province's game parks.

What follows is a rough and adjustable itinerary, with Rattray's lodge as the centerpiece.

Flight from Johannesburg, and pick up a rental car. South Africa has good roads with modern 24-hour service stations.

Durban lounges around a huge natural harbor. In the 1820s the British landed and by the middle of that century settlers had begun clearing the area for sugar and fruit farms, textiles and paper mills, and later shipbuilding and oil refining.

Downtown Durban is a cosmopolitan city of office blocks and department stores surrounding an extravagantly Victorian complex of old civic buildings.

You can sample Indian Durban with a leisurely walk through the quarter that sprawls around the Grey Street Mosque, a huge confection of ramparts and gold domes at the western end of downtown.

From Durban there are two routes inland, equally pleasant but quite different. One alternative is to take the N3 highway to Pietermaritzburg, a graceful Victorian city that has preserved many landmarks of Afrikaner and British history. Outside Durban can take the highway's Hillcrest turn-off and meander to Pietermaritzburg along the Old Main Road. Continue north through the Natal Midlands.

ANOTHER option from Durban is to go up the coast on the M4 Highway to Stanger and then take Highway 74 inland. This route offers some fun side trips, such as the Crocodile Creek croft farm in Tongaat or Shakaland, a tourist but educational village in Eshowe.

The usual tour for first-timers consists of Isandlwana in the morning, and then a more leisurely afternoon visit to Fugitives' Drift, where the straggling survivors of Isandlwana were pursued to the Buffalo River, and Rorke's Drift, a few miles away, where later on the same eventful day 100 British held off 4,500 attacking Zulus in 10 hours of hand-to-hand combat, from behind an Alamo constructed of biscuit tins and cornmeal bags.

THE ARTS GUIDE

AUSTRIA

Vienne
Museum Moderner Kunst, tel. 78-25-50, closed Mondays. To Sept. 18: "Maligures." Presents six different forms of painting with works by figurative, abstract, and expressionist artists. Includes: Francis Bacon, Francis Clemente, Jorge Immendorf and Malcolm Morley, and informal painters such as Per Kirkeby, Hermann Nitsch and Cy Twombly. The exhibition is supplemented by sculptural pieces by each artist.

Palais Liechtenstein, tel. 317-6900, closed Mondays. To Sept. 18: "Markus Lupertz." 50 large works spanning the Austrian artist's career from the end of the 1950s when Lupertz began to paint in a manner between the representational and the abstract, to the 1970s when he created still lifes consisting of symbolic motifs such as helmets, spears, ears of corn and fish.

BELGIUM

Bruges
Kunstencentrum Oud Sint-Jan, tel. (50) 33-55-66, open daily. To Oct. 2: "Modigliani: De Openbaring." More than 400 drawings and watercolors created in Paris by Italian artist Amedeo Modigliani from 1906 to 1914. The works were collected by Paul Alexandre.

BRITAIN

London
National Gallery, tel. (71) 839-3526, open daily. Continuing/To Sept. 4: Caspar David Friedrich to Ferdinand Hodder: A Romantic Tradition. "100 paintings and 40 drawings from a private collection of German, Swiss and Austrian art."

Royal Academy of Arts, tel. (71) 494-56-15, open daily. Continuing/To Oct. 2: "Impressionism to Symbolism: The Belgian Avant-Garde 1880-1900." 80 paintings, sculptures and reliefs illustrate the artistic revolution which took place in Belgium between 1880 and the turn of the century. The exhibition features works by Ensor, van de Velde and van Rysselberghe.

Oxford
The Ashmolean Museum, tel. 855-278010, closed Mondays. To Aug. 14: "Eastern Slides." Birds in the air from China, Japan, India and the Islamic world depicted in paintings, prints, textiles, wood, ceramic and metal figures.

CANADA

Montreal
Musée des Beaux-Arts, tel. (514) 285-1800, closed Mondays. Continuing/To Oct. 2: "Terra Nova." 50 paintings dating between 1920 and 1954. Include portraits, nudes and still lifes.



Matisse's "Le Jeune Marin II" at the Fondation Pierre Gianadda in Martigny, Switzerland.

FRANCE

Metz
Arsenal, tel. 44-78-25-00, open daily. Continuing/To Oct. 2: "L'Or des Dieux." From the collection of Peruvian banker Guillermo Wiesse, 140 pieces of pre-Columbian jewelry from Peru, Ecuador and Colombia.

Montpellier
Musée Fabre, tel. 87-68-06-34, closed Mondays. To Oct. 3: "Vieira da Silva." Drawings and paintings by the postwar painter that were accepted by the French government as payment of estate taxes.

Nice
Musée d'Art Moderne et d'Art Contemporain, tel. 93-62-61-82, closed Tuesdays. To Sept. 25: "Jim Dine." More than 60 works from the artist's personal collection. Includes sculptures using small, colorful, multi-media drawings and paintings.

Paris
Musée d'Art Moderne de la Ville de Paris, tel. 47-23-51-27, closed Mondays. To Oct. 18: "Robert Rauschenberg." Paintings from the '50s and '60s showing the influence of Abstract Expressionism on the artist. Includes installations and photographs as well as drawings and blueprints of site-generated projects created in the '80s.

Paris
Musée Carnavalet, tel. 42-73-21-13, closed Mondays. To Aug. 7: "Paris de l'Antiquité à nos Jours." Recent acquisitions by the museum include archaeological finds, paintings, posters, aerial photographs and postcards.

Musée du Louvre, tel. 40-20-51-51, closed Tuesdays. Continuing/To Sept. 5: "La Réforme des Trois Carats." Le Dessin à Bologne, 1580-1620.

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Musée Marmottan-Claude Monet, tel. 42-24-07-02. Continuing/To Oct. 2: "La Nouvelle Vague: L'Estampe Japonaise de 1868 à 1939." Includes 150 Japanese prints, dating from the opening of Japan to the West in 1868.

Musée d'Orsay, tel. 40-49-45-14, closed Tuesdays. Continuing/To Sept. 11: "Nader." 50 portraits by the French painter in photography from 1854 to 1860.

Toulouse
Musée des Augustins, tel. 61-22-21-82, open daily. To Sept. 30: "Claude Vignon." A retrospective of the works of the French painter and etcher who worked for King Louis XIII. Includes such paintings as "Le Triomphe d'Hercule," painted for Cardinal de Richelieu, as well as drawings and etchings.

Venice
Palazzo Grassi, tel. (41) 522-1375. "Rinascimento - Da Brunelleschi a Michelangelo: La Rappresentazione dell'Architettura." The exhibition is closed temporarily. It will be open to the public again from Aug. 18 to Nov. 6.

Zürich
Zürcher Cultural Center, tel. (41) 528-6310, open daily. Continuing/To Sept. 11: "China 220 B.C.: The Xian Warriors." Life-size terracotta warriors from the army of 7,000 guarding the tomb of the Emperor Qin Shi Huangdi.

Germany
Berlin
Alte Museum, tel. (30) 21-50-23-78, closed Mondays. To Aug. 28: "Die Letzten Tage der Menschheit." 240 objects of art from the collection of the German painter and photographer. Includes photographs and films from countries on both sides of the conflict, as well as paintings documenting various artists' visions of war. Includes works by Dix, Beckmann, Dufy, Chagall and Malevich.

Munich
Lenbachhaus, tel. (89) 233-320-00, closed Mondays. To Sept. 11: "Chuck Close." The American painter's portraits, based on photographs, as grids of chromatic units. The large-format paintings look like a mosaic of abstract color, but from a distance, assume the appearance of the photographs from which the images are originally taken.

Speyer
Historisches Museum der Pfalz, tel. (6202) 620-222, closed Mondays. Continuing/To Aug. 14: "Der Zersetzungsprozess der Romanov: Meisterwerke aus der Eremitage St. Petersburg." 240 objects of art from the collection of the Romanovs in the Hermitage in St. Petersburg bring to life 300 years of Russian history.

Ireland
Dublin
Douglas Hyde Gallery, tel. 702-1116, closed Sundays. To Aug. 21: "Lost Property: Christian Botani." 1200 Ans d'Influences." Jardins de Bagatelle, Paris.

On July 31: "Petra Christis: Renaissance Master of Bruges." Metropolitan Museum of Art, New York.

On July 31: "African Zoro: The Sacred Art of Ethiopia." The Menil Collection, Houston.

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An attempt at evoking separation and death, and consisting of unclaimed property collected from bus and railway depots.

ISRAEL

Jerusalem
The Israel Museum, tel. (2) 708-811, open daily. To Sept. 28: "Fruits of the Earth." Four centuries of Italian still-life painting from the collection of Silvano Lodi, including works by Annibale Carracci, by members of the school of Caravaggio and by contemporary artist Giorgio Morandi.

Italy
Palazzo Grassi, tel. (41) 522-1375. "Rinascimento - Da Brunelleschi a Michelangelo: La Rappresentazione dell'Architettura." The exhibition is closed temporarily. It will be open to the public again from Aug. 18 to Nov. 6.

Zürich
Zürcher Cultural Center, tel. (41) 528-6310, open daily. Continuing/To Sept. 11: "China 220 B.C.: The Xian Warriors." Life-size terracotta warriors from the army of 7,000 guarding the tomb of the Emperor Qin Shi Huangdi.

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JAPAN

Tokyo
Hara Museum, tel. (278) 24-8585, open daily. To Aug. 31: "Art is Fun: Uncensored the Series." The fifth installment of this series brings together seven Japanese artists who explore the visual aspects of art as well as the physical sensations of touch and sound in their work, thus challenging the notion that art is a passive exercise of viewing.

Portugal
Museu Nacional de Arte Antiga, tel. 397-6001, closed Mondays. To Aug. 15: "As Tentaculas de Bosch ou o Ermo Ratono." Focusing on Hieronymus Bosch's triptych "The Temptation of St. Anthony," the exhibition features works by Arcimboldo, Dürer, Moreau and Dalí, in which the artists explore the thematic variations and the symbols of their time.

Museu Nacional de Etnologia, tel. 301-5264, closed Mondays. To Sept. 30: "Escultura Angolana." Masks, cut and sacrificial objects from various ethnic groups in the former overseas Portuguese province of Angola.

Spain
Madrid
Bohemia in Madrid. Continuing/To Aug. 12: On the Paseo de Recoletos and Plaza de Cibeles, an installation of 21 larger-than-life round bronze sculptures by Colombian artist Fernando Botero.

Switzerland
Lugano
Villa Favre, tel. (91) 51-61-52, open Fridays, Saturdays and Sundays. Continuing/To Oct. 30: "Europa and America: 19th and 20th Century Paintings and Watercolors." Works from the Hudson River School of painting and from the American Impressionists as well as Cubist and German Expressionist works, Rus-

san avant-garde and American Abstract Expressionist paintings.

Martigny
Fondation Pierre Gianadda, tel. (26) 22-39-78, open daily. To Nov. 1: "De Matisse à Picasso." 80 paintings, drawings and sculptures by 30 20th-century artists including works by Bonnard, Matisse, Braque, Picasso, Balbus and Chagall.

United States
Chicago
Art Institute, tel. (312) 443-3600, open daily. To Sept. 18: "Odion Redon: Prince of Dreams." Brings together 180 works by the visionary artist, including his early "noirs," i.e. charcoal drawings, and his color paintings, pastels and watercolors. Although a contemporary of the Realists and the Impressionists, Redon created dreamlike pastels and paintings which often drew on the nascent discipline of psychoanalysis with its emphasis on dreams.

New York
Museum of Modern Art, tel. (212) 708-9400, closed Wednesdays. Continuing/To Sept. 6: "Masterpieces from the David and Peggy Rockefeller Collection: Manet to Picasso."

BOOKS

WHAT THEY'RE READING

• Helena Kontova, editor of Flash Art magazine in Milan, is reading "Generation X" by Douglas Coupland.

"It is even more the novel for the new generation than Bret Easton Ellis's 'American Psycho,' a few years ago. It is more conscious, more like everyday life with a more acceptable level of violence, which however becomes more psychologically absorbing." (Erik Ipsen, IHT)

occupational therapist who shows up in the intensive care unit on the day of her wedding after chocking on an hors-d'oeuvre. Because she didn't want to bother the guests, she went into a coma in the ladies room and died three days later.

Human foibles are one of the themes of this book. So is the insensitivity of some physicians and the role nurses play picking up the pieces when these doctors fail to attend to their patients' needs. In one incident, Heron is caring for a terminally ill patient suffering from excruciating cancer pain. The physician in charge of the case refuses to prescribe narcotics. Instead of dutifully following orders, Heron challenges them, and finally prods another phy-

sician to get the patient the pain medication. As in her first book this intimate view of medical politics is far from reassuring.

As this book demonstrates, a nurse's job is not only to monitor and administer treatments physicians prescribe. There are times when patients need affirmation, confidence building and reassurance more than drugs, tests and procedures.

Heron constantly refers to her ability to judge when a patient needs this kind of care as a "sixth sense" or "intuition." One wishes that she had chosen a less traditional and easy-to-dismiss phrase. Terms used in nursing scholarship, like "skilled intuition" or "expert clinical judgment," would help the public understand that it

takes more than "woman's intuition" to interpret the emotional and social subtexts of patients' behavior. One reason our culture so easily dismisses nursing is because many believe that anyone—certainly any woman—can be a nurse.

Britain Was Warned on Bombings, Jewish Leader Says

Reuters
BUENOS AIRES — Argentina gave Britain advance warning that it was a likely target for bomb explosions similar to the one that killed almost 100 people at a Jewish center in Buenos Aires, according to Edgar M. Bronfman, president of the World Jewish Congress.

The British government denied Mr. Bronfman's assertion. "We had no advance warning," a Foreign Office spokesman said in London. London police and the office of Prime Minister John Major also said they had received no intelligence information from the Argentines.

Mr. Bronfman said Argentina was considering breaking relations with Iran if it is shown that Tehran was behind the group that caused the Buenos Aires bombing.

Mr. Bronfman said President Carlos Saul Menem of Argentina had told him that an Iranian dissident gave the warning about impending attacks in London when he was interviewed in Venezuela by Argentine investigators in connection with the July 18 explosion in Buenos Aires.

"That's pretty good proof it was the same group" acting in London and Buenos Aires, Mr. Bronfman added.

Mr. Bronfman said President Menem told him

he had warned London. "Menem even phoned London to warn them," he said.

Police and security organizations in London were caught off guard by car bombs outside the Israeli Embassy and a Jewish fund-raising organization.

The Board of Deputies of British Jews said it warned police a month ago that extremist attacks could be expected, but the British authorities did not appear to share their concern.

At least 96 people were killed in the explosion at Argentina's main Jewish community center. The two car bombs in London wounded 19.

Argentina said late Wednesday that it had called back its ambassador in Iran for consultations, amid rising diplomatic tension in the aftermath of the Argentine blast.

The president said that if what he suspected was true, then he would break relations with Iran, said Mr. Bronfman, who was visiting Argentina to give support to its Jewish community.

The Argentine Foreign Ministry summoned Iran's ambassador, Hadi Soleimani, twice in two days this week to request his cooperation in the investigation of the bombing.

But Argentina denied reports that it had requested the extradition of a former Hezbollah leader in connection with the bomb attack. He-

zbollah is a pro-Iranian Islamic fundamentalist party based in Lebanon.

A Foreign Ministry spokesman, Horacio Fuentes Rocha, told Reuters that no extradition papers had been presented to Lebanon for any member or former member of Hezbollah.

Reports carried by French radio and newspapers said Argentina had requested the extradition of a former Hezbollah member and threatened to cut diplomatic ties with Lebanon if it were denied.

Foreign Minister Guido Di Tella of Argentina is due to brief the UN Security Council on the bombing Friday, and Britain is to back Argentina in its call for a UN condemnation of "international terrorism."

The judge handling the investigation into the Argentine bombing said he had obtained useful clues on the attack from the Iranian dissident he interviewed in Caracas on Monday.

The judge, Juan José Galeano, who read out a brief statement at the Buenos Aires courthouse, spoke to a former Iranian diplomat, Manuchehr Motamer, who is seeking refugee status in Venezuela and protection from Tehran.

Judge Galeano said Mr. Motamer's "testimony was of utmost importance to clarify what happened and brought us closer to our highest

goal — to identifying the bombers and bring them to justice."

The Iranian ambassador to the United Nations, Kamal Kharrazi, in a letter to the UN secretary-general, Boutros Boutros Ghali, accused Israel of accusing Tehran without a shred of evidence.

The Israeli envoy to the UN, Gao Yaacobi, said Tuesday that investigations into the attack in Buenos Aires "pointed clearly to Iranian involvement."

Mr. Kharrazi also said Mr. Motamer was not an Iranian diplomat or civil servant, as news reports claimed, but rather a small-business man who had been arrested several times for fraud.

Venezuela expelled four Iranian diplomats after accusing them of trying to forcibly repatriate Mr. Motamer, his wife and children.

Adding credibility to the allegations were reports of an unusual increase in the amount of traffic through diplomatic bags between Tehran and Buenos Aires in recent months.

Deputy Foreign Minister Fernando Petrella accused Iran on Wednesday of "abusing the function of the diplomatic bag" but played down reports that the explosives used in the bombing had been imported in Iranian diplomatic pouches.

U.S. Sees Hezbollah Behind Bombings, Vows Punishment

By Tim Weiner
New York Times Service

WASHINGTON — As U.S. intelligence officials worked to assess a wave of terrorist bombings in London, Buenos Aires and Panama, Secretary of State Warren M. Christopher said Thursday that the United States would lead a "concerted international response" to the attacks.

Senior officials and intelligence officers said the attacks were probably an outgrowth of battles between Israel and Hezbollah, the Iranian-backed guerrillas in South Lebanon, rather than an assault by Iran and its allies designed to wreck the recent Arab-Israeli peace process.

"We don't believe this is about Israel and Jordan," said one senior official well-versed in Middle East affairs. If it were, Jordanians also would have been attacked in Iran, Libya and elsewhere, he said of a report on the signing on Monday of an agreement ending a state of belligerency between the two states.

But these officials said the government of Iran would surely welcome any disruption of negotiations between Israel, Jordan and the Palestine Liberation Organization that might result from the bombings.

Mr. Christopher, testifying before a Congressional committee on the Middle East peace process, promised full cooperation between the intelligence services of several nations to track down those responsible for the attacks and to prevent more such acts.

An intelligence officer, speaking on condition of anonymity, said the bombings were probably reprisals for the Israeli raid on a Hezbollah base in Lebanon last month. At least 30 members of Hezbollah and, by some accounts, a number of Iranians, were killed in the raid.

"Hezbollah has an immediate cause of concern," another intelligence officer said. "If the Iranians are shown to have had a hand in these matters, and things sure look that way, at least in Buenos Aires, I would say they have a strategic motive. The peace process does isolate them further, and jeopardizes their strategic interests."

While not directly blaming Hezbollah and the government of Iran for the bombings, Mr. Christopher strongly implied they were implicated.

"The killers involved in those terrible incidents must not — we will not let them succeed,"

Mr. Christopher said. "Groups like Hezbollah that wreak havoc and bloodshed must be defeated. And Hezbollah's patron, Iran, must be contained."

Taken together, the bombings, in which at least 117 people were killed, have been the most intense attacks of their kind in recent years.

On July 18, a bomb destroyed the Jewish community center in Buenos Aires. Ninety-six people were killed and 10 are still missing. Last week, a bomb on a Panamanian airliner killed 21 people, most of them Jews. This week, two car bombs exploded in London, one outside the Israeli Embassy, the other outside a Jewish fund-raising group, Israel Joint Appeal, injuring 20 people.

"The United States has dispatched our government's top forensic experts to Latin America to assist in the investigation of the bombings in Argentina and in Panama," Mr. Christopher said at a hearing before the House Foreign Affairs Committee.

In addition, he said, "The United States is working with its allies around the world to improve coordination and to improve intelligence-sharing. This will aid in the apprehension of those responsible for these crimes and help to prevent future atrocities."

Without mentioning names, Mr. Christopher criticized allies of the United States for trading and talking with Iran.

"Iran is an international outlaw, yet some nations still conduct preferential commercial relations with Iran and some take steps to appease that outlaw nation," he said. "They must understand that by doing so, they make it easier for Iran to use its resources to sponsor terrorism throughout the world."

Other officials cited Germany, and to a lesser extent, France and Japan, as nations dealing with Iran.

In London, the Israeli ambassador to Britain, Moshe Raviv, said a large international effort was essential to ending the wave of bombings, which he said were inspired by Iran and elements of Hezbollah.

"What happened here and what happened in Argentina is part of an ongoing campaign of terror perpetrated by extreme Islamic groups, inspired by Tehran and the clerics we can find in the Hezbollah movement in Lebanon," Mr. Raviv said, citing Israeli intelligence reports.

Defector's Claims Doubted in Seoul

No Proof of North's Bombs

Reuters

SEOUL — South Korean government officials said Thursday that they had no evidence to support claims from a North Korean defector that Pyongyang has developed five nuclear warheads.

The officials, including members of the national intelligence agency that staged the news conference on Wednesday at which the defector made his claim, said South Korean policy toward North Korea remains unchanged.

The defector was not himself involved in the nuclear program and was simply telling reporters what he heard, a Defense Ministry spokesman said.

He added, "His reliability will have to be investigated further but certainly his statement does not require a change in our defense posture."

At the news conference, the defector, Kang Myong Do, said that North Korea was concentrating efforts on building missiles to carry five nuclear warheads it has already developed.

He said the head of operations at North Korea's nuclear complex in Yongbyon told him in October 1993 that Pyongyang had secured the five bombs.

Choi Won Son, an official at

the South Korean Foreign Ministry, said that Seoul did not have any evidence to believe the North had "even one nuclear bomb."

"The government's policy to seek dialogue with North Korea remains intact," he said. "South Korea is still prepared to cooperate and help the North improve ties with the West once its nuclear transparency is secured."

The United States also cast doubt on Mr. Kang's claim.

U.S. Defense Secretary William J. Perry said Wednesday that he stood behind a Central Intelligence Agency estimate that Pyongyang might have one or two atomic bombs.

The CIA based its assessment on estimates of how much plutonium North Korea could have extracted from its Yongbyon reactor during a temporary shutdown of the plant in 1989.

But last month the CIA director, R. James Woolsey, said Pyongyang could have enough plutonium for five more bombs by later this year unless its nuclear program was halted.

North Korea insists it is not making nuclear weapons but refuses free access by UN inspectors to its nuclear industry.

Officials at the Agency for National Security Planning said it had confirmed during two months of investigation since Mr. Kang sought asylum in late May that he was a son-in-law of the North Korean prime minister, Kang Song San.

The official North Korean Central News Agency has denied that Mr. Kang is the prime minister's son-in-law. And it called the Seoul news conference a "despicable act of using human rubbish in the North-South confrontation."

"He has nothing to do with the premier," he said. "He is an ignoramus, a loafer without a regular occupation and a criminal who misappropriated a large amount of state funds."

"By politically using a criminal who escaped from the North in inciting North-South confrontation, they cast a shadow over the prospect of North-South dialogue and laid an obstacle in the way of national reunification without hesitation."

U.S. and South Korean officials said Mr. Kang's claim would not have any major impact on high-level U.S.-North Korea talks due to resume in Geneva on Aug. 5.

The talks are to focus on Pyongyang's nuclear program. Washington has hinted that it could give diplomatic and economic concessions if the North abandons any nuclear arm intentions.

Another North Korean, the 26th defector to South Korea this year, arrived Thursday, the South Korean intelligence agency said.



The photograph of the dying Sudanese girl that won Kevin Carter, a South African free-lancer, a Pulitzer Prize.

Kevin Carter, Pulitzer Winner for a Famine Photo, Dies at 33

The Associated Press

JOHANNESBURG — Kevin Carter, 33, whose photograph of a vulture waiting for a starving Sudanese child to die won him a 1994 Pulitzer Prize, died in what appeared to have been a suicide, friends and the police said Thursday.

Several letters were with the body, which the police found Wednesday night in Mr. Carter's pickup truck parked in a

northern suburb of Johannesburg. The police said he died of carbon monoxide poisoning, but they planned to investigate the death though they did not suspect foul play, a spokesman said.

His prize-winning photograph was first published by The New York Times and then distributed around the world by news and photo agencies.

"He was an extraordinarily courageous photographer, dedicated to his work," said Anton Harber, editor of the Weekly Mail and Guardian newspaper, where Mr. Carter once worked.

David Sandison, photo editor of the Sunday Times newspaper, called Mr. Carter "one of the most emotional people I have ever known, and this

came through in his pictures."

Mr. Carter worked for almost 10 years as a broadcaster and photographer for South African newspapers until deciding to become a free-lancer in 1993.

He then worked for Reuters, Agence France-Presse and other news organizations, and sold several news photos to The Associated Press.

ANGOLA: After Almost 20 Years of War, the Country Is Still Killing Itself

Continued from Page 1

that treated it like a plaything, to the Angolan combatants themselves, who have never found the courage or will to make peace.

The war could well get deadlier. Last month, just as UN-sponsored peace talks showed glimmers of progress, fighting intensified throughout the country. The formerly Marxist government of President José Eduardo dos Santos has launched a major offensive, bombing rebel-controlled areas in the central highlands and the north.

The rebel movement, the National Union for the Total Independence of Angola, known as UNITA and led by Jonas Savimbi, is using artillery to pound government-held cities, including one, Cuito, that is heavily populated by its own supporters.

The flare-up forced the curtailment of what for the previous six months had been the UN World Food Program's largest airlift. If the relief flights cannot resume soon, up to 2 million Angolans dependent on food aid face the prospect of a war-induced famine. The state-run Angolan News Agency reported last weekend that people in Cuito were eating mice and plant roots to stay alive.

Because Angola's calamity has been spread over two decades, it has rarely found its way onto the world's front pages or television screens. But the cumulative death toll of more than 500,000 here rivals that of any of today's higher-profile tragedies.

It is a disaster for which the United States, Russia and other outsiders clearly bear responsibility. While they come now as relief workers and would-be peacemakers, in the 1970s and 1980s they came with arms, armies and ambitions, making Angola a pawn in the Cold War.

The United States armed and supported UNITA, which was also helped by an invasion force from white-ruled South Africa. Moscow backed the Marxist government and enlisted Cuban troops to prop it up.

Since the start of the post-Cold War 1990s, the United States, Russia, Portugal

and the United Nations have all tried to coax the combatants here toward a political power-sharing arrangement similar to the one that brought South Africa through its transition from white-minority rule to democracy. Yet they have discovered that formulas imposed by outsiders are ineffective if the parties themselves do not trust one another.

At various stages since 1975, the war here has been waged under the banner of ideology, ethnicity or class animosity. Nowadays, stripped of outside patrons, it seems mainly about power, money and ego.

Since fighting resumed in late 1992, the war has taken an estimated 200,000 lives, on top of 350,000 from 1975 to 1990. Most of the casualties have been civilians. Angola has about 100,000 amputees, possibly the highest number per capita in the world, and an estimated 10 million unemployed land mines.

Despite a nine-month round of UN-supervised peace talks in neighboring Zambia that, on paper, has brought the parties close to an agreement on a ceasefire, demobilization and political power-sharing, diplomats here say the conflict's dynamics still tilt toward war, not peace.

For one thing, the dos Santos government appears to have the advantage militarily, and its generals seem determined to cripple UNITA before agreeing to any ceasefire.

Also, the combatants already made peace once, with prodigal from the United States, Portugal and the Soviet Union, only to have the war resume when Mr. Savimbi claimed that the UN-certified 1992 election he lost had been stolen. Peace will likely prove more elusive the second time around.

But perhaps the most intractable problem is that while most Angolans are impoverished, Angola holds enough mineral wealth to fuel both parties' war machines indefinitely, and there is a deadly equilibrium in the way the spoils are divided.

The government draws revenue from offshore oil wells that produce 550,000 barrels a day, according to official Angolan estimates. UNITA draws at least \$100

million a year — perhaps much more — from diamonds it extracts from mines in northeastern Angola, according to a calculation by trade specialists in South Africa. UNITA representatives smuggle the diamonds to Zaire and sell them through middlemen to De Beers, the giant South African diamond company.

"This war is between Angola's two main tribes: oil and diamonds," said a disillusioned relief worker.

This all raises a knotty question about humanitarian assistance. By feeding Angola's poor victims, is the world also indirectly fueling its wealthy warriors? According to the United Nations, the government spends 2 percent of its budget on education and 2 percent on health. Nearly all the rest goes for bombs and land mines that create more business for relief workers.

"In a sense, we are blackmailed," said Mike McDonagh, head of Concern, an Irish relief agency. "If we weren't here, there would be a massive famine. But by coming, we may be making it easier for the war to go on."

Manuel Aranda da Silva, the UN coordinator for humanitarian aid in Angola, said, "We have prevented a catastrophe here." He noted that about 1,000 Angolans a day were dying of starvation and war-related diseases before the UN relief effort, aided by about 50 non-governmental organizations, geared up late last year.

In theory, by providing more than \$150 million in food aid this year, the United Nations has acquired a lever to nudge the combatants toward peace. In practice, however, the combatants more often use the aid as a club, refusing military clearance for relief flights whenever they want to punish or pressure the other side.

"Neither side seems to give a damn about Angolans," a relief worker said. "You can get pretty cynical here pretty fast."

This week, 11 of the humanitarian organizations working in Angola appealed to Mr. dos Santos and Mr. Savimbi to stop the killing, respect the neutrality of the relief effort, and "reflect on the appalling moral consequences of the current course of events."

Canada, Britain and Hungary are all relatively cheap for someone with a wallet full of Deutsche marks.

Moreover, Germans have time to travel since the average worker gets at least six weeks of paid vacation a year. "My American friends turn green with envy when they compare that to their own modest two weeks," Mrs. Kiebach said.

The strong German currency now makes many foreign destinations a bargain. A study by the Federal Association of German Banks showed that Turkey,

Syria Assails Jordan on Peace Pact

Reuters

DAMASCUS — For the first time, Syria leveled direct criticism Thursday against Jordan for having signed an agreement ending a state of war with Israel. Syria stressed it was not in a rush to achieve what it called "incomplete" peace.

The government daily Al Baath described the Washington declaration as a "surprise development" and a "violation" of the principles on which the peace process was begun nearly three years ago. It said the declarations would negatively affect Arab interests.

"The surprise developments and violations including the Gaza-Jericho deal and the Washington declaration could not overwhelm the fact that peace will fail and evaporate if it is not just and comprehensive," Al Baath said.

Syria and Israel are deadlocked over Israeli withdrawal from the Golan Heights and future ties.

RWANDA: Send Refugees Home

Continued from Page 1

Goma, Zaire. Another way to airdrop supplies to returning refugees.

A U.S. military team was in Kigali, assessing the situation. Defense Secretary William J. Perry, who planned to go to the region this weekend, said no final decision had been made on whether to send troops to Rwanda, in addition to the 4,000 U.S. servicemen and women expected to take part in the humanitarian operation outside Rwanda. Mr. Perry said the idea of sending troops to Rwanda was "excellent" but

complex because the operation would involve getting the authority of the new Patriotic Front government and "would be inextricably mixed with peacekeeping operations that are going on in that area."

The U.S. government has stressed that its mission is strictly humanitarian, and has nothing to do with a UN commitment to send up to 5,500 soldiers into the country to replace French troops when they pull out of their security zone in late August.

The commander of the UN assistance mission to Rwanda, Major General Romeo Dallaire of Canada, warned that a refugee crisis eclipsing even the current tragedy could develop unless there were enough troops to replace the French. He said he hoped the United States would send "lots of troops." But UN officials in New York said that, at best, they would only have 3,000 troops ready to replace the French.

General Shalikashvili said that although the refugees had to go home, he acknowledged

that the security situation inside Rwanda was "uneven."

"We don't want to get into a situation where we are forcing them to go home," he said.

Despite the appalling conditions in the Zairian camps, where the first confirmed cases of meningitis added Thursday to the catalogue of misery, only a small number of the more than 1.2 million refugees have taken the risk of returning. The Hutu refugees have been intimidated by their leaders into remaining with their government in exile.

They are told that if they return they will be slaughtered by Rwanda's new, Tutsi rulers — members of the ethnic minority that lost hundreds of thousands of people this spring in genocidal massacres by Hutu extremists.

The ethnic hatred, which has spilled across the border into Burundi, prompting the government to send troops on Thursday to quell violence, remains intense. Thousands of Tutsi refugees at a separate camp near Goma said they feared for their lives and begged the United Nations to provide them safe passage home.

To counter hate-mongering propaganda by clandestine radio stations in the camps — one is called "The Radio That Chops off Limbs" — an international group called Reporters without Borders said it planned to start broadcasting to the camps this weekend. The group said it would try to give objective information about the situation inside Rwanda and practical survival advice to the refugees.

On August 29th, the IHT will publish a Special Report on

THE BRAZILIAN ECONOMY

Among the topics to be covered are:

- Prospects for reform following the elections.
- The outlook for privatization.
- Brazil's volatile stock market.
- A look at the commodities driving the economy.
- Brazil's relations with Argentina, Uruguay and Paraguay.

For information about advertising in this Special Report, please contact Bill Mahler in Paris at (33-1) 46 37 93 78.

Herald Tribune

For investment information

Read THE MONEY REPORT every Saturday in the IHT

MARKET DIARY

Trade Hopes Spur Dollar to 100 Yen

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rallied Thursday to more than 100 yen for the first time in a month on speculation that Japan and the United States would reach a trade agreement and on expectations that U.S. second-quarter growth figures would be strong.

Optimism for a potential trade accord that would increase Japanese government procurement of U.S. goods took hold on a Kyodo news service report that Japan would offer concessions to the United States.

The dollar ended in New York at 100.050 yen, up from 98.425 yen Wednesday. The dollar has been trading below 100 yen since June 29. It fell below 100 yen for the first time since World War II on June 21.

Speculation that U.S. gross domestic product will show robust growth also helped the dollar gain, traders said. Faster growth would make it more likely the Federal Reserve Board would raise interest rates, which would be expected to give the dollar a boost.

Forecasts for preliminary U.S. second-quarter GDP averaged a 4 percent growth, compared with 3.4 percent expansion in the first quarter.

"Previously we've seen a very strong GDP figure, which hasn't been accompanied by price pressure," said Corey Miller, economist at SGST in London.

The high demand for dollars spilled over into U.S. Treasury bonds, where prices for the 30-year government issue rose to 84 25/32, for a yield of 7.54 percent, down from 7.61 percent on Wednesday.

The dollar closed at 1.5916 Deutsche marks in New York, up from 1.5744 DM on Wednesday, at 1.3500 Swiss francs, up from 1.3339, and at 5.3820 French francs, up from 5.1523, down from 5.1521.

(Bloomberg, Reuters)

Foreign Exchange

Continued from Page 9

operations, expressed his pleasure at the latest returns but said "we can't get complacent."

Mr. Smith had earned his spurs by decentralizing, cost-cutting and streamlining marketing as boss of GM Europe, which Mr. Healy noted was "a

different company" from GM North America. Second-quarter market share in North America actually declined from 34.8 percent in 1993 to 33.1 percent because GM was not able to meet booming demand from its tight inventories.

GM does not break out its international results, but by volume Europe represents three-quarters of its overseas business. Led by the Corolla, GM's international sales volume rose 7.2 percent, to 1.12 million during the first half of the year, and by 4.6 percent in Europe, to 846,000.

But the U.S. market may have peaked for this cycle. Arvid Jettou of Keane Securities in Detroit said U.S. auto sales had grown at a compound annual rate of about 1.25 percent for the past 20 years, only about half the

rate through the Depression, war and boom of the previous half-century, and said the real growth potential now lay outside the mature markets of North America and Western Europe.

U.S. stocks ended a two-day slide as GM's earnings sparked a rally in auto shares that offset concern about higher interest rates, Bloomberg Business News reported.

"We're going to continue to see the market to be torn between signs of a good economy and strong earnings and the implications this good news has for interest rates," said James Solloway, director of research at Argus Research Corp.

The Dow Jones industrial average closed 10.36 points higher at 3,730.83 after losing 21.37 the last two sessions. Gains in GM, Minnesota Mining & Manufacturing Co. and Procter & Gamble led the way.

Optimism about GM's earnings spilled over to Ford Motor, which rose 62.5 cents to \$31, and Chrysler Corp., whose stock gained 37.5 cents to \$47.50.

The Nasdaq Composite Index rose 0.54 to 712.67 after falling 3.52 on Wednesday. Intel, Microsoft and Nordstrom gained.

(Bloomberg, Reuters)

Wall Street Rebounds

Continued from Page 9

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U.S. Stocks

Continued from Page 9

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World Stock Markets

Continued from Page 9

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The Dow Jones industrial average

100

200

300

400

500

600

700

800

900

1000

1100

1200

1300

1400

1500

1600

1700

1800

1900

2000

2100

2200

2300

2400

2500

2600

2700

2800

2900

3000

3100

3200

3300

3400

3500

3600

3700

3800

3900

4000

4100

4200

4300

4400

Dow Jones Averages

Open High Low Last Chg.

Indus 3717.85 3741.84 3717.85 3738.81 -10.36

Transp 1201.25 1205.54 1199.75 1204.25 -1.77

Comp 1267.25 1275.47 1264.71 1272.22 -2.62

Standard & Poor's Indexes

High Low Last Chg.

SP 500 454.75 457.50 454.25 -1.60

Indus 365.54 368.45 365.72 -2.39

Transp 120.14 120.54 119.75 -1.89

Comp 126.75 127.47 126.41 -2.35

NYSE Most Active

Vol. High Low Last Chg.

Ford 3850 31.10 31.00 31.10 -1.00

Procter & Gamble 2850 31.10 31.00 31.10 -1.00

General Electric 2850 31.10 31.00 31.10 -1.00

IBM 2850 31.10 31.00 31.10 -1.00

Microsoft 2850 31.10 31.00 31.10 -1.00

NASDAQ Most Active

Vol. High Low Last Chg.

Intel 2850 31.10 31.00 31.10 -1.00

Microsoft 2850 31.10 31.00 31.10 -1.00

Nordstrom 2850 31.10 31.00 31.10 -1.00

Amazon.com 2850 31.10 31.00 31.10 -1.00

Netflix 2850 31.10 31.00 31.10 -1.00

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EUROPEAN FUTURES

Open High Low Last Chg.

Aluminum 142.50 143.00 142.50 143.00 -0.50

Copper 1.42 1.43 1.42 1.43 -0.01

Gold 380.00 381.00 380.00 381.00 -1.00

Silver 16.00 16.10 16.00 16.10 -0.10

Platinum 950.00 951.00 950.00 951.00 -1.00

Palladium 1200.00 1201.00 1200.00 1201.00 -1.00

3-MONTH STERLING (LIBOR)

High Low Last Chg.

3-MONTH STERLING (LIBOR)

High Low Last Chg.

3-MONTH STERLING (LIBOR)

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3-MONTH STERLING (LIBOR)

Stock Indexes

Open High Low Last Chg.

DAX 3100 3110 3100 3110 -10

FTSE 100 2700 2710 2700 2710 -10

Nikkei 2200 2210 2200 2210 -10

Hang Seng 10000 10010 10000 10010 -10

ASX 100 1010 1010 1010 -10

SEAX 100 1010 1010 1010 -10

IBEX 100 1010 1010 1010 -10

FTSEMIB 100 1010 1010 1010 -10

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FTSEMIB 100 1010 1010 1010 -10

FTSEMIB 100 1010 1010 1010 -10

Profit Sags at Commerzbank

Losses on Bonds Cause Trading Results to Plunge 68%

FRANKFURT — Commerzbank AG, hurt by financial-market turmoil, reported an unexpected sharp decline Thursday in first-half earnings, but analysts said the bank probably would match its 1993 results for the full year.

Operating profit after risk provisions fell 23 percent, to 436 million Deutsche marks (\$276 million) in the first half, compared with half of the results recorded for 1993, and trading profit for its own account plunged 68 percent.

Commerzbank, however, said its operating results were up 11 percent from the same period a year earlier.

The difference is explained by a sharp rise in earnings during the second half of last year, when German financial markets boosted profit at most German banks.

"It's fine that the operating profits rose 11 percent against the calendar comparison, but in the banking world, one compares with six-twelfths," said Annalies Dübbers, banking analyst at M.M. Warburg in Hamburg.

Analysts had predicted that Commerzbank's operating profit would fare better than the drop of 10 percent to 15 percent they were expecting

from Deutsche Bank AG, Germany's largest commercial bank. But Deutsche Bank on Tuesday reported a rise of 1 percent in its operating profit after provisions.

Commerzbank's profit was hurt by the poorer result from trading for its own account, which fell to 87 million DM. The bank said it had losses in its trading in shares and bonds in June.

Deutsche Bank, in its report, said it had managed to overcome such losses by reducing its risk provisions by 46 percent. Commerzbank pared provisions by 20 percent, compared with half of the previous year's total.

But Commerzbank said it saw a good basis for earnings for the rest of the year, citing the prospect of better bond-market conditions and satisfactory business conditions.

Analysts said Commerzbank results historically tended to improve in the second half of the year from the first.

John Leonard, banking analyst at Salomon Brothers in London, said the half-year results were "thin, but mainly because of the markets."

But he said conditions were expected to improve and that he did not expect to revise his earnings forecasts.

Takeover Fight Hits Banking in Portugal

LISBON — A fierce corporate battle loomed Thursday in Portugal's banking sector as principal shareholders in Banco Portugues do Atlantico SA gave notice they planned to fight a bid from rival Banco Comercial Portugues SA.

News on Tuesday that BCP, Portugal's fourth-largest bank, would bid 132 billion escudos (\$825 million) for a controlling 40 percent stake in BPA, the second-biggest bank, stunned the financial community.

If successful, it would at a stroke create Portugal's second banking group by assets, challenging Caixa Geral de Depósitos for top spot and seizing more than a 20 percent market share.

But late on Wednesday, core shareholders in BPA, who say that with other minority support they hold about 27 percent of the capital, said they aimed to increase their block to 40 percent.

"We will make all necessary efforts to enlarge the core holding to around 40 percent of BPA by joining with other shareholders of the bank," a spokesman for the group said.

The prospect of a bitter fight for control of BPA is an unaccustomed development in Portugal, not only among banks but in the corporate sector as a whole.

"This is the most important development since the banks were nationalized 20 years ago," said Eduardo Stock da Cunha, a director of Santander Investment Portugal. "We have never had a corporate battle on this potential scale."

In Thursday trading, BPA shares opened 30 percent higher, at 2,613 escudos, while BCP was down 82 at 2,125.

On balance, banking analysts said BCP still stood a good chance of winning despite BPA shareholder resistance.

The BCP chairman, Jorge Jardim Gonçalves, while something of a maverick in Portuguese banking, is seen as an efficient manager who would be likely to revive recently flagging BPA profits.

The core shareholders, meanwhile, represent a diverse group of industrial interests, already highly leveraged with BPA loans to finance their shareholdings.

To line up the extra 13 percent in share support, the group would have to persuade minority shareholders to forgo selling at 3,000 escudos or fork out 43 billion escudos to buy the shares themselves.

A key to BCP's success will be the stance of the government, which holds 24.3 percent of BPA and had announced plans to further privatize the bank.

Sainsbury Bids High For Low

Compiled by Our Staff From Dispatches

LONDON — Britain's biggest food retailer, J. Sainsbury PLC, launched a counterbid Thursday for the struggling Scottish supermarket company William Low & Co., topping arch-rival Tesco PLC's offer made two weeks ago.

Sainsbury is offering £210 million (\$321 million) in cash for the 57-store chain, a wide 36 percent premium to Tesco's £154 million bid.

Analysts said they expected Tesco to try to clinch the deal by topping Sainsbury's offer.

Low's shares jumped 46 pence, to £3.26, as the market waited for a response from Tesco and a possible bidding war.

Low's shares had languished at £1.69 before Tesco's strike.

Sainsbury is offering £3.05 cash for each Low ordinary share and £1.43 for its convertible preference shares. Tesco's offer was pitched at £2.25 and £1.089, respectively.

Both groups are offering Low shareholders the option to take their own shares instead of the cash.

Low said it "intends to consider the Sainsbury offer in detail before making recommendations as to what action shareholders should take."

If Sainsbury's bid is successful, it would push its British market share up by 0.6 percentage points, to 12.0 percent.

(Bloomberg, Reuters)

Investment Income Off at Banco Central

Compiled by Our Staff From Dispatches

MADRID — Banco Central Hispanoamericano reported Thursday that first-half net profit fell 19 percent, to 29.32 billion pesetas (\$225.6 million), as financial income dropped more than two-thirds and loss provisions rose 43 percent.

Spain's second-largest commercial bank said income from its financial investments fell from 11.81 billion pesetas in the first half of 1993 to 4.63 billion pesetas in the latest six months.

The bank set aside provisions of 700 million pesetas against losses in the value of government bond holdings. During the second quarter, the price of Spain's benchmark 10-year government bond fell 8.4 percent.

Executives said that the bank did not have a large position in Spanish bonds but noted that its provisions for insolvencies had risen 43 percent to 81.7 billion pesetas.

Despite the drop in net profit, the bank said its core businesses showed positive results. Net interest income edged up 0.1 percent, to 153.1 billion pesetas, while operating income rose 3 percent, to 63.83 billion pesetas.

Bank officials said operating income in 1994 could reach 175 billion pesetas, while provisions could fall to between 60 billion and 70 billion pesetas.

They also predicted the bank would end its losses and post flat earnings by the end of 1994 because loan demand was likely to increase in Spain by as much as 6 percent as the economy picked up from last year, when gross domestic product shrank 1 percent.

The bank said it also hoped to post some capital gains in 1994 from the continued sale of its extensive investments in industrial companies.

Argentina Corporación Bancaria de España SA, another major Spanish bank reporting results Thursday said net profit after minority interests had risen 19 percent, to 44.17 billion pesetas.

(Bloomberg, Reuters, AFP)

Gildemeister Sets Plans for Rights Issue

Bloomberg Business News

BIELEFELD, Germany — Gildemeister AG said Thursday it planned to raise 69 million Deutsche marks (\$44 million) by selling new shares to current holders to fund its takeover of the failed manufacturer Deckel Maho AG.

The tool-making company also said it expected its continuing operations to break even next year as demand and prices pick up from 1993. In the first half of this year, new orders were 60 percent higher than a year earlier, at 123 million DM.

The company also announced a 1993 net loss of 59.1 million DM, down from 76.7 million DM the year before, largely because of 40.8 million DM in extraordinary gains including write-offs of 32 million DM of debt.

Gildemeister released details of the capital increase it plans to coincide with its takeover of Deckel Maho. It said it aimed to offer 6,780,000 shares to current holders at 102 DM each, compared with the current Gildemeister share price of about 224 DM.

The share issue will take place in six to eight weeks.

French Central Bank Cuts Key Money-Market Rate

Bloomberg Business News

PARIS — The Bank of France on Thursday trimmed a money-market rate to try to strengthen the country's convalescing economy, economists said.

The central bank cut its intervention rate to 5 percent from 5.1 percent. It was the 12th such cut since Jan. 1, when the rate stood at 6.2 percent.

Although France's recovery gained strength in the second quarter of this year, "there's

still need to stimulate the economy and give financial markets a fillip," said Philippe Auvigny, an economist with Crédit Agricole, France's largest bank.

France's economy is only slowly pulling out of its worst recession in 50 years. But it may be something of a flash in the pan, some economists say.

"Government incentives to the car and housing sectors played a key role in boosting growth in the second quarter," Mr. Auvigny said, and with their impact fading, it is not clear what will take their place.

Thus, many French economists expect the intervention rate, which determines the country's money-market rates, to be cut by a further quarter or half percentage point before the end of the year.

The extent of future cuts will depend on Germany's Bundesbank, whose monetary policy France shadows.

ICI Profits Surge By 40% in Half As Demand Rises

Reuters

LONDON — Imperial Chemical Industries PLC reported a surge in half-year profits on Thursday and said it was seeing signs of improvement in worldwide markets.

Profit before tax rose by 40 percent, to £234 million (\$357.7 million) from £167 million, on sales of £4.46 billion, an 8 percent rise.

The chairman, Sir Deays Henderson, said the results were aided for the first time in recent years by improving markets in the second quarter.

"This is the most tangible evidence yet that our customers are emerging from recession with some modest improvement now evident in Europe, sustained demand in North America and continuing strong growth in most Asian economies," he said.

NYSE Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE 1993 High Low Last Chg

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united nations education, scientific and cultural organization

UNESCO

Invitation to register for bidding

The following works in one of its Headquarters buildings, in Paris are to be subject to tender:

Treatment or replacement of asbestos and fire stop valves in the Sixth Building Ground floor+15 storeys floor area 30,000m2

Bidding exercise N° 1
Lot N° 1 - Construction of temporary prefabricated offices
Lot N° 2 - Transfer of contents of offices
Lot N° 3 - Treatment or elimination of asbestos
Lot N° 4 - Replacement of fire stop valves
Lot N° 5 - False-ceiling insulation
These lots may be included in a general works contract or treated separately.

Bidding exercise N° 2
Supervision and co-ordination of all work
Documentation is available in French only

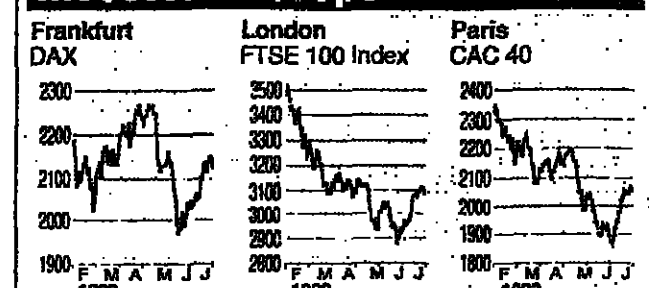
Bid issuance: 15 September 94
Commencement of work: End of year 1994
Estimated duration of work: Three years

Applications for tender documents, together with references covering similar operations, should be sent to:

UNESCO - BPS / GES
Travaux d'Amiante
7, place de Fontenoy,
75352 Paris 07 SP (FRANCE)
to arrive not later than 31 August 1994,
Reliable references required

Continued from Page 12

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	405.22	404.29	+0.23
Brussels	Stock Index	7,566.87	7,581.85	-0.21
Frankfurt	DAX	2,122.81	2,140.44	-0.82
Frankfurt	FAZ	805.03	811.22	-0.76
Helsinki	HEX	1,838.39	1,858.77	-1.10
London	Financial Times 30	2,401.40	2,398.20	+0.13
London	FTSE 100	3,085.50	3,082.30	+0.44
Madrid	General Index	307.92	311.89	-1.27
Milan	MIB	1,124.00	1,122.00	+0.18
Paris	CAC 40	2,053.43	2,055.69	-0.11
Stockholm	Affaerswerlden	1,878.37	1,885.81	-0.50
Vienna	Stock Index	453.68	455.05	-0.31
Zurich	SBS	912.02	909.03	+0.33

Sources: Reuters, AFP International Herald Tribune

Very briefly:

• PSA Peugeot Citroën SA's first-half sales rose 15 percent from the year-ago period, to 83.8 billion French francs (\$16 billion), while its share of the European car market grew to 12.5 percent from 11.9 percent.

• Hanson PLC agreed to buy George H. Scholes PLC for £96.1 million (\$150 million) in cash, which will transform Hanson into one of Britain's biggest electrical equipment makers.

• German drugmakers exported pharmaceuticals worth 3.8 billion Deutsche marks (\$2.4 billion) in the first three months of the year, up 10.5 percent from a year ago.

• Buckingham International PLC agreed to sell the Sheraton Grand Hotel in Houston to National Life Assurance Co. of the United States, for £11.7 million.

AFP, Bloomberg, APX

MARUSAN ASIA GROWTH FUND
Fonds commun de placement
Registered Office
7, rue du Marché-aux-Herbes
L-1728 Luxembourg

Dividend Notice
Notice is hereby given to all investors in the Marusan Asia Growth Fund.
All unitholders noted in the fund register as of the close of business on July 28th 1994 will receive a dividend payment.

Details of the dividend
Ex-dividend date : July 29th 1994
Payment date : August 10th 1994
Amount per unit : USD 0.17
Registered unitholders will be sent payment automatically.
Holders of bearer certificates are requested to present coupon n° 5 to:
Banque Internationale à Luxembourg
2, boulevard Royal
L-2950 Luxembourg

By order of the board of the Management Company, HSBC Asia Investment Services Luxembourg S.A.

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Thursday's Closing

(Continued)

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[The page contains dense handwritten notes in German script.]

一、中華民國之成立，乃國民革命成功之結果，其目的在建立一個獨立自主之國家，以保障國民之權利，並謀世界和平。此為建國之宗旨，亦即建國之原則。

二、中華民國之政體，採行民主共和之制度。其最高權力機關為國民大會，由國民直接選舉之代表組成。國民大會行使選舉、罷免、創制、複決、複決、複決等權力。

三、中華民國之行政系統，由行政院統籌全國行政事務。行政院設各部會，分別掌理不同領域之行政事務。行政院長由國民大會選舉之，對國民大會負責。

四、中華民國之司法系統，由司法院統籌全國司法事務。司法院設最高法院，為最高審判機關。最高法院設各庭，分別審理不同類型之案件。

五、中華民國之地方自治，採行地方自治之制度。地方自治之實施，旨在培養國民之自治能力，並促進地方之繁榮與發展。地方自治之實施，應遵循地方自治法之規定。

六、中華民國之對外關係，應遵循和平外交之原則。對外關係之處理，應以維護國家之主權與利益為前提，並促進國際和平與合作。

七、中華民國之建國，乃國民之共同責任。國民應積極參與建國事業，並遵守法律，維護社會秩序。建國之成功，有賴於國民之共同努力。

八、中華民國之建國，乃一個長遠之過程。國民應保持耐心與毅力，不斷努力，以期達成建國之大業。建國之成功，將為國民帶來繁榮與幸福。

九、中華民國之建國，乃一個艱鉅之任務。國民應克服困難，勇往直前，為建國事業貢獻力量。建國之成功，將為國民帶來希望與未來。

十、中華民國之建國，乃一個光榮之使命。國民應以建國為榮，並為建國事業而努力。建國之成功，將為國民帶來尊嚴與榮譽。

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一、關於我國之政治。我國之政治，向來是極其腐敗的。在封建社會中，皇帝是最高權力的代表，他擁有絕對的權威。然而，由於缺乏有效的監督機制，皇帝往往成為獨裁者。這種獨裁制度導致了政治的腐敗和民生的凋敝。在近代，隨著西學東漸，中國知識分子開始反思傳統政治制度，並倡導民主政治。然而，由於種種原因，民主政治在我國未能真正落地生根。

二、關於我國之經濟。我國之經濟，在封建社會中是自然經濟，即以農業為主，自給自足。這種經濟模式雖然穩定，但缺乏活力。在近代，隨著西方列強的侵略，我國經濟開始向半殖民地半封建社會過渡。西方資本主義經濟的滲透，破壞了傳統的自然經濟，但也帶來了新的生產力。然而，由於不平等條約的簽訂，我國經濟發展受到嚴重阻礙。

三、關於我國之文化。我國文化，博大精深，是中華民族的瑰寶。然而，在封建社會中，文化往往被統治階級所壟斷，成為維護統治的工具。在近代，隨著西學東漸，我國文化開始發生變革。新文化運動的興起，倡導了科學和民主，對傳統文化進行了批判和反思。然而，由於種種原因，我國文化建設未能取得顯著成就。

四、關於我國之社會。我國社會，在封建社會中是等級森嚴的。社會階級分明，貴族階級享有特權，而平民階級則受到壓迫。這種社會結構導致了社會的不公平和不正義。在近代，隨著西學東漸，我國社會開始發生變革。社會主義思想的傳入，倡導了平等和正義，對封建社會結構進行了批判和反思。然而，由於種種原因，我國社會改革未能取得顯著成就。

五、關於我國之未來。我國之未來，充滿了希望。隨著新中國成立，我國開始了社會主義建設。在黨的領導下，我國人民團結一致，為實現中華民族的偉大復興而努力奮鬥。然而，我國之未來也面臨著許多挑戰。我們需要進一步改革開放，發展經濟，提高人民生活水平。我們需要加強民主政治建設，保障人民權利。我們需要弘揚中華文化，增強民族凝聚力。我們需要加強國際合作，促進世界和平與發展。

一、關於本會之宗旨：本會以研究我國文學之發展，促進文學界之交流，並推廣文學於社會為宗旨。凡我會員，應共同致力於此。

二、關於本會之組織：本會設理事會為最高權力機關，由會員選舉產生。理事會下設秘書處，處理日常事務。此外，尚有各專門委員會，如文學研究會、創作研究會等，以資專業之指導。

三、關於本會之經費：本會經費來源，除會員會費外，並接受社會各界之捐助。凡有捐助者，本會當發給收據，以昭大信。

四、關於本會之活動：本會定期舉辦文學講座、研討會、座談會等活動，以增進會員間之交流，並提高社會大眾對文學之認識。

五、關於本會之出版：本會設有編輯部，負責編輯會刊，彙集會員之研究心得與創作成果。此外，亦將不定期出版文學叢書，以推廣文學研究。

六、關於本會之附屬機構：本會得視需要，設立圖書館、展覽室等附屬機構，以充實研究設備，並提供會員便利。

七、關於本會之其他事項：本會應遵守國家法律及社會道德規範，並積極參與社會公益活動，以樹立良好形象。

以上各章，均經本會會員大會通過，自即日起施行。如有修改，應經會員大會三分之二以上多數通過。

本會秘書處 謹啟

[illegible][illegible]

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 二、**分論**
 三、**附錄**
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 五、**跋語**
 六、**後記**
 七、**再版說明**
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 五十五、**各部門內部溝通**
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 五十七、**各部門效率提升**
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 八十、**各部門退休活動**
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17 NORTH LAKE STREET
NEW YORK, N. Y.

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OBSERVER

The Flexible Goodbye

By Russell Baker

NEW YORK — A noble sense of public duty to dilate wisely on the great health-care battle is at war within me against the shameful suspicion that I haven't the faintest notion what it's all about.

Suspicion is about all that's left in me anymore about the health-care matter. I suspect that many, if not most, members of Congress are equally baffled.

I suspect this doesn't much matter, since whatever Congress does will be the product of a small circle of insiders, with the rest going along in befuddlement under pressure of the astounding amount of money the lobbies have flung into the battle.

There is too much "I" and "me" here, but how else to get to something vital that rests so heavily on pure suspicion? My suspicion is that if I haven't the faintest notion what it's all about, neither does most of the rest of the populace.

A few points are obvious. One is that the Clintons have roused the opposition of one of the most formidable conditions of moneyed power since PACs, the so-called political action committees, replaced political parties as instruments for electing and controlling Congress.

So we see the tawdry spectacle of the PACs taking charge. At the same time we are treated to the awesome sight of the old party system collapsing under the money onslaught of the new PAC system.

The collapsed party is the Democrats. The Republican Party seems as unified as ever, but it is an illusory unity. In the health-care battle, the PACs are out to break a Democratic president, which gives them common cause with Republicans.

Since President Reagan the Republicans have become a party of opposition, even when they control the presidency. Health care simply doesn't test their famous party muscle against the power of big PACs like the insurance and drug industries and the medical lobby.

The PACs, of course, have been blessed in having Clinton as their opponent. He is the most flexible of presidents, and when he chose to make health care the great issue of the age he picked an issue that needed a president with Woodrow Wilson's stubborn iron if there was to be any chance of prevailing. Had he committed himself to all-out combat from the outset, he might have backed something like the Canadian single-payer plan. It is easy to comprehend and splendid for provoking political passions, which Clinton's side desperately needs. His opposition has passion galore.

Why the single-payer plan was dismissed out of hand is a question for historians. Perhaps it was Clintonian flexibility. It must have been obvious from the start that the insurance industry would be a mighty opponent, yet the original Clinton plan began by handing the insurance industry the first trick. It was to operate through private insurance companies. Thereafter the insurance companies had only to chip away.

Since then flexibility has followed flexibility. No, universal coverage isn't all that important now so never mind that old veto threat.

A remarkable aspect of all this has been the White House failure to create a public consensus for a program that would be acceptable to the president and possible to pass in Congress. It is rare to enact controversial legislation until a national consensus on it is reached and it becomes, in the words of the late Senator Everett Dirksen applied to civil rights legislation, "an idea whose time has come."

Whatever is being passed up cannot be an idea whose time has come. The public has no idea what a health-care bill should do. Yet politicians are desperate for anything they can call a "health-care bill." We are in danger of a confusion whose time has come.

New York Times Service

King of Punk Finds Inspiration in Paris

By Mike Zwerin
International Herald Tribune

PARIS — More than 15 years after the death of Sid Vicious, punk fashions like drug-overdosing, skin-piercing, belly-button rings, Mohawk haircuts and black-on-black clothing remain or have returned, I don't remember which.

Along with his partner V. Vienne Westwood, Malcolm McLaren is known as "the creator of punk fashion." They opened "Let It Rock" in London, a clothing store named after a Chuck Berry song. Later, it was called simply "Sex," featuring S&M gear. McLaren managed the Sex Pistols and has been accused of "exploiting punk" and of "manipulating sick youths." One reason he created punk, he said, was to "upset people." He has the air of a friendly saboteur.

Earlier this year, McLaren, now 48, sang songs he wrote on an album he produced called "Paris" (Vogue), recorded in Paris. A few weeks ago, more cadre than punk, he was sitting in a frenetic studio dressing room. Capitalizing on the capital, he was being made up for a video clip from "Paris." His co-star, the beautiful Tunisian singer Amina, insisted on a sisterly kiss. People came and went. It was hot, his makeup ran and was restored. There were photo ops. McLaren's rap continued through it all.

"Paris is having a renaissance in Tokyo right now. The Japanese have chosen Paris as the current city to get high on. I certainly have the word 'Paris' enough on this record. I've got to be in reasonably good shape." He laughed on his way to the bank.

McLaren has been "inspired by French culture" since the age of 13, when he discovered all those Soho dives with French names. They were dimly lit and the clients, called Xs, stood around dressed in black-on-black speaking pigeon French and looking really bored. After reading Albert Camus' "The Stranger" he learned that these bored looking Xs wearing black were "part of a scene known as existentialism."

The Rolling Stones. Pretty Things. The Who. Jeff Beck — all down the line — had in fact married rock as much to French existentialists as to the blues. They all wore black and looked bored. Enlightenment added up over the years. A "motor of angst" coupled British rock with the French "the only certitude is death, don't



Malcolm McLaren calls Paris's rock contribution "unwritten history."

care, bored, black-on-black existential attitude."

He thought about these things last winter hanging about Paris "looking for a raison d'être for making an album about Paris." He constructed a makeshift recording studio in "a garret" with a view of Saint-Sulpice. He'd been coming here for one reason or another for 20 years, but he could not figure out what he was doing in a Left Bank garret. His friends were telling him he should make a record about Paris and he was taking them seriously.

In San Francisco, Jerry Garcia had told him that if it hadn't been for the Beat scene there he would never have come up with the name Grateful Dead, which is, McLaren said, "about as existential a name as you can think up." The San Francisco Beat connection with Paris was strong: "Jack Kerouac and all those guys." He thought he might be "discovering a link nobody had thought much about." Rock music with a beat had grown out of Beat, as in Beatnik.

Paris and rock have generally not been associated. "This Parisian contribution to rock was unwritten history," McLaren said. The link came to him with an image: "The Velvet Under-

ground meets the velvet gentleman [Miles Davis] on Boulevard Saint-Germain." For the Sex Pistols' first concert in Paris, he had given Johnny Rotten a beret to wear in honor of the French and Dizzy Gillespie. Roger Vadim, François Truffaut had recorded Art Blakey, Monk and Miles on their soundtracks. The jazz-connected existential scene was documented by Boris Vian.

All of the above, McLaren says, was "encapsulated by Juliette Greco's affair with Miles Davis. Greco was the queen muse of this black-on-black, dark, moody, 'grand ennui' politics of boredom." She told Jean-Paul Sartre that she had discovered the most handsome man she had ever met: "He looks like an Egyptian queen." (Davis recorded an album called "Nefertiti.") "Miles of Miles of Miles" is the name of a McLaren song. A line goes: "I wore black, you wore black, jazz is Paris and Paris is jazz." There is the existential voice ("I love his 'kick line in the butt' vibe") of Serge Gainsbourg ("love is a drag"). A song called "Père-Lachaise" recalls the Doors.

Everything is recalled and recalling is everything. Django Reinhardt's Gypsy guitar influence is represented by his son Babik.

But the all-purpose premise lacked a melodic hook until McLaren discovered Eric Satie. He walked around Paris listening to Satie through earphones. ("Monsieur Satie, je t'aime"). Satie's kind of darkness, loneliness, his romantic vision, "summed up the whole Chet Baker unrequited love thing you get on the Left Bank of the Seine at three o'clock in the morning."

All the above was framed by (to mix trumpet metaphors) "Milesy riffs inspired by Eric Satie." Satie also had "a touch of the Oriental North African vibe they have here now," and so McLaren engaged musicians from north and black Africa because "that side of Paris is very ethnic and 'today'."

He took the package to the French record company Vogue. They bought it but insisted on adding "three major French female icons." Jeanne Moreau (she also had an affair with Davis) said no. A song written for Greco had her falling in love with Miles's trumpet, a kind of "shoot of Miles." Greco said there was no way on earth she would agree to do this.

Maybe I should have mentioned this earlier. Any cultural and/or sociological insights notwithstanding, this something-for-everybody collage is more bargain, techno, poppy hot-air than "Milesy," "Satie-esque" or "existential."

Then "why bother to write about it?" you ask? Good question.

For one thing, it's late July and there isn't all that much happening. For another, it provides an insight into a person with a name to be reckoned with. Thirdly, it presents Catherine Deneuve (McLaren's initial lyrics for her song were "too vulgar," and she had them rewritten), Amina ("she reminds me of a Renoir painting") and François Hardy (a lot of teenage Anglo-American men had a crush on this sort of existential "chanteuse").

Hardy's voice "rises over cloud-bursts of Parisian jazz that counterpoint sensual African drums at the corner of Strasbourg Saint-Denis." There is a verse about "a boy who looks like a girl looking like a boy." McLaren takes Satie to an Algerian club. Girls on the Métro stroke white mice. James Bond gets lost in Fagale. And "it's getting late, almost dawn and I must go home. But I'd like to go again, to Paris on the Seine 'cause Paris is a proper friend of mine."

PEOPLE

Harrison Ford Returning In Indiana Jones IV

Six years after vowing that the third Indiana Jones movie would be his last, Harrison Ford has agreed to play the thrill-seeking archaeologist one more time. "We're wrestling with a script right now," Ford told "Entertainment Tonight" in Los Angeles. He said he loved working with Steven Spielberg and George Lucas and "the character's very fun to play, the movies are great entertainment, so I have no resistance."

Brightie Bardot has sent a letter to Sophia Loren expressing sadness and dismay that the Italian star has agreed to model fur coats for an Italian company. Bardot said she found it "degrading, repugnant, lamentable and unworthy to accept money stained with the blood of animals even if you need it." Loren was on vacation and unavailable for comment.

Mayor Jacques Chirac of Paris has dropped a suit against a weekly magazine over a cover photograph showing him leaping over a Métro turnstile as if to avoid paying his fare. Chirac's office said he took the decision after Le Nouvel Observateur printed an apology in its issue on Thursday. The photograph, with an article calling Chirac "a joke," was taken "as a joke" 18 years ago, Chirac's office said.

William Kennedy Smith has settled out of court with a bar bouncer he punched in the face. Smith said he slugged Henry C. Cochran after mistaking him for the friend of a man who murdered Smith at an Arlington, Virginia, bar about his 1991 Florida rape trial. Cochran filed a half-million-dollar lawsuit against Smith, whose attorney, Gregory Craig, would not disclose the settlement amount.

INTERNATIONAL CLASSIFIED
Appears on Pages 5, 6 & 17

WEATHER

Forecast for Saturday through Monday, as provided by Accu-Weather.

Europe	Today	High	Low	Temp	Wind	W	Temp	Wind	W
Algeria	26/22	18/22	17/20	18/24	S	10-20	26/22	18/22	17/20
Amsterdam	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Antwerp	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Athens	31/28	22/27	21/20	22/27	S	10-20	31/28	22/27	21/20
Berlin	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Brussels	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Copenhagen	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Dublin	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Edinburgh	19/26	13/25	12/10	14/27	S	10-20	19/26	13/25	12/10
Frankfurt	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Geneva	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Hamburg	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
London	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Madrid	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Moscow	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Munich	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Nice	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Oslo	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Paris	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Rome	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Stockholm	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Vienna	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Zurich	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20

North America	Today	High	Low	Temp	Wind	W	Temp	Wind	W
Alaska	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Canada	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
USA	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Central America	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Caribbean	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
South America	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Asia	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Australia	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Oceania	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20

Asia	Today	High	Low	Temp	Wind	W	Temp	Wind	W
Bangkok	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Beijing	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Hong Kong	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Manila	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
New Delhi	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Seoul	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Singapore	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Tokyo	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Yokohama	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20

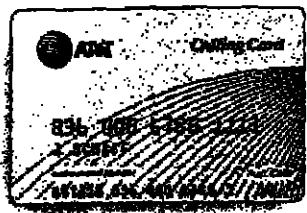
Middle East	Today	High	Low	Temp	Wind	W	Temp	Wind	W
Beirut	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Cairo	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Damascus	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Jerusalem	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
London	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Riyadh	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20

Latin America	Today	High	Low	Temp	Wind	W	Temp	Wind	W
Buenos Aires	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Casablanca	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Lima	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Mexico City	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Rio de Janeiro	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20
Santiago	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22	17/20

WEEKEND DESTINATIONS

Location	Weather	High	Low	Temp	Wind	W	Temp	Wind	W
Europe and Middle East									
Cannes	partly sunny	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22
Deauville	partly sunny	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22
Paris	partly sunny	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22
St. Tropez	partly sunny	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22
Caribbean and West Atlantic									
Barbados	partly sunny	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22
Kingston	partly sunny	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22
St. Thomas	partly sunny	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22
Asia/Pacific									
Perth	clouds and sun	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22
Sydney	clouds and sun	20/27	18/22	17/20	18/24	S	10-20	20/27	18/22

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- Dial the corresponding AT&T Access Number.
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ASIA		Italy		Brazil	
Australia	1-800-881-0111	Machonstein*		000-8010	
China, PRC**	10811	Lithuania*		000-0512	
Hong Kong	018-872	Luxembourg		000-0111	
India**	800-1111	Macdonia, F.Y.R. of		Columbia	
Indonesia*	001-802-130	Malta*		980-11-0010	
Japan*	0035-111	Mozambique*		114	
Korea	009-11	Netherlands*		119	
KORCAA	11*	Poland**		El Salvador*	
Malaysia*	800-0011	Portugal*		Guatemala*	
New Zealand	000-011	Romania		190	
Philippines*	205-11	Russia (Moscow)*		190	
Singapore	800-0111-1111	Slovakia		126	
Sri Lanka	430-430	Spain		Honduras*	
Taiwan*	0080-10288-0	Sweden*		163	
Thailand*	0019-991-1111	Switzerland*		MexicoCAA	
		U.K.		95-800-462-1246	
		Ukraine*		Nikaragua (Managua)	
				174	
				Panama*	
				105	
				Peru*	
				191	
				Suriname	
				156	
				Uruguay	
				00-0411	
				Venezuela**	
				80-011-120	
EUROPE		MIDDLE EAST		CARIBBEAN	
Armenia*	8-141111	Bahrein		Belize*	
Austria***	022-903-011	Cyprus*		1-800-872-2885	
Belgium*	0800-100-10	Israel		1-800-872-3881	
Bulgaria	00-1800-0010	Kuwait		Cayman Islands	
Croatia*	99-38-0011	Lebanon (Beirut)		1-800-872-2881	
Czech Rep	00-420-00101	Qatar		Grenada*	
Denmark*	8001-0911	Saudi Arabia*		1-800-872-2881	
Finland*	9800-100-10	Switzerland		Haiti*	
France	13-0-011	U.A.E.*		001-800-872-2881	
Germany	0130-0010			Jamaica*	
Greece*	00-800-1511			1-800-872-2881	
Hungary*	000-800-99111			Neth. Ants	
Iceland*	093-001			001-800-872-2881	
Ireland*	1-800-530-000			St. Kitts/Nevis	
				1-800-872-2881	
				AFRICA	
				Egypt (Cairo)	
				510-0200	
				Gambia*	
				000-0911	
				Gambia*	
				001111	
				Kenya*	
				0900-100	
				Liberia	
				797-797-797	
				South Africa	
				0-800-92-0123	

NASDAQ

Thursday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest	Chg
A											
100	100	100	AAOI	0.00	0.00	0.00	0.00	100	100	100	0.00
101	101	101	AAOI	0.00	0.00	0.00	0.00	101	101	101	0.00
102	102	102	AAOI	0.00	0.00	0.00	0.00	102	102	102	0.00
103	103	103	AAOI	0.00	0.00	0.00	0.00	103	103	103	0.00
104	104	104	AAOI	0.00	0.00	0.00	0.00	104	104	104	0.00
105	105	105	AAOI	0.00	0.00	0.00	0.00	105	105	105	0.00
106	106	106	AAOI	0.00	0.00	0.00	0.00	106	106	106	0.00
107	107	107	AAOI	0.00	0.00	0.00	0.00	107	107	107	0.00
108	108	108	AAOI	0.00	0.00	0.00	0.00	108	108	108	0.00
109	109	109	AAOI	0.00	0.00	0.00	0.00	109	109	109	0.00
110	110	110	AAOI	0.00	0.00	0.00	0.00	110	110	110	0.00
111	111	111	AAOI	0.00	0.00	0.00	0.00	111	111	111	0.00
112	112	112	AAOI	0.00	0.00	0.00	0.00	112	112	112	0.00
113	113	113	AAOI	0.00	0.00	0.00	0.00	113	113	113	0.00
114	114	114	AAOI	0.00	0.00	0.00	0.00	114	114	114	0.00
115	115	115	AAOI	0.00	0.00	0.00	0.00	115	115	115	0.00
116	116	116	AAOI	0.00	0.00	0.00	0.00	116	116	116	0.00
117	117	117	AAOI	0.00	0.00	0.00	0.00	117	117	117	0.00
118	118	118	AAOI	0.00	0.00	0.00	0.00	118	118	118	0.00
119	119	119	AAOI	0.00	0.00	0.00	0.00	119	119	119	0.00
120	120	120	AAOI	0.00	0.00	0.00	0.00	120	120	120	0.00

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest	Chg
B											
121	121	121	AAOI	0.00	0.00	0.00	0.00	121	121	121	0.00
122	122	122	AAOI	0.00	0.00	0.00	0.00	122	122	122	0.00
123	123	123	AAOI	0.00	0.00	0.00	0.00	123	123	123	0.00
124	124	124	AAOI	0.00	0.00	0.00	0.00	124	124	124	0.00
125	125	125	AAOI	0.00	0.00	0.00	0.00	125	125	125	0.00
126	126	126	AAOI	0.00	0.00	0.00	0.00	126	126	126	0.00
127	127	127	AAOI	0.00	0.00	0.00	0.00	127	127	127	0.00
128	128	128	AAOI	0.00	0.00	0.00	0.00	128	128	128	0.00
129	129	129	AAOI	0.00	0.00	0.00	0.00	129	129	129	0.00
130	130	130	AAOI	0.00	0.00	0.00	0.00	130	130	130	0.00
131	131	131	AAOI	0.00	0.00	0.00	0.00	131	131	131	0.00
132	132	132	AAOI	0.00	0.00	0.00	0.00	132	132	132	0.00
133	133	133	AAOI	0.00	0.00	0.00	0.00	133	133	133	0.00
134	134	134	AAOI	0.00	0.00	0.00	0.00	134	134	134	0.00
135	135	135	AAOI	0.00	0.00	0.00	0.00	135	135	135	0.00
136	136	136	AAOI	0.00	0.00	0.00	0.00	136	136	136	0.00
137	137	137	AAOI	0.00	0.00	0.00	0.00	137	137	137	0.00
138	138	138	AAOI	0.00	0.00	0.00	0.00	138	138	138	0.00
139	139	139	AAOI	0.00	0.00	0.00	0.00	139	139	139	0.00
140	140	140	AAOI	0.00	0.00	0.00	0.00	140	140	140	0.00

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest	Chg
C											
141	141	141	AAOI	0.00	0.00	0.00	0.00	141	141	141	0.00
142	142	142	AAOI	0.00	0.00	0.00	0.00	142	142	142	0.00
143	143	143	AAOI	0.00	0.00	0.00	0.00	143	143	143	0.00
144	144	144	AAOI	0.00	0.00	0.00	0.00	144	144	144	0.00
145	145	145	AAOI	0.00	0.00	0.00	0.00	145	145	145	0.00
146	146	146	AAOI	0.00	0.00	0.00	0.00	146	146	146	0.00
147	147	147	AAOI	0.00	0.00	0.00	0.00	147	147	147	0.00
148	148	148	AAOI	0.00	0.00	0.00	0.00	148	148	148	0.00
149	149	149	AAOI	0.00	0.00	0.00	0.00	149	149	149	0.00
150	150	150	AAOI	0.00	0.00	0.00	0.00	150	150	150	0.00
151	151	151	AAOI	0.00	0.00	0.00	0.00	151	151	151	0.00
152	152	152	AAOI	0.00	0.00	0.00	0.00	152	152	152	0.00
153	153	153	AAOI	0.00	0.00	0.00	0.00	153	153	153	0.00
154	154	154	AAOI	0.00	0.00	0.00	0.00	154	154	154	0.00
155	155	155	AAOI	0.00	0.00	0.00	0.00	155	155	155	0.00
156	156	156	AAOI	0.00	0.00	0.00	0.00	156	156	156	0.00
157	157	157	AAOI	0.00	0.00	0.00	0.00	157	157	157	0.00
158	158	158	AAOI	0.00	0.00	0.00	0.00	158	158	158	0.00
159	159	159	AAOI	0.00	0.00	0.00	0.00	159	159	159	0.00
160	160	160	AAOI	0.00	0.00	0.00	0.00	160	160	160	0.00

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest	Chg
D											
161	161	161	AAOI	0.00	0.00	0.00	0.00	161	161	161	0.00
162	162	162	AAOI	0.00	0.00	0.00	0.00	162	162	162	0.00
163	163	163	AAOI	0.00	0.00	0.00	0.00	163	163	163	0.00
164	164	164	AAOI	0.00	0.00	0.00	0.00	164	164	164	0.00
165	165	165	AAOI	0.00	0.00	0.00	0.00	165	165	165	0.00
166	166	166	AAOI	0.00	0.00	0.00	0.00	166	166	166	0.00
167	167	167	AAOI	0.00	0.00	0.00	0.00	167	167	167	0.00
168	168	168	AAOI	0.00	0.00	0.00	0.00	168	168	168	0.00
169	169	169	AAOI	0.00	0.00	0.00	0.00	169	169	169	0.00
170	170	170	AAOI	0.00	0.00	0.00	0.00	170	170	170	0.00
171	171	171	AAOI	0.00	0.00	0.00	0.00	171	171	171	0.00
172	172	172	AAOI	0.00	0.00	0.00	0.00	172	172	172	0.00
173	173	173	AAOI	0.00	0.00	0.00	0.00	173	173	173	0.00
174	174	174	AAOI	0.00	0.00	0.00	0.00	174	174	174	0.00
175	175	175	AAOI	0.00	0.00	0.00	0.00	175	175	175	0.00
176	176	176	AAOI	0.00	0.00	0.00	0.00	176	176	176	0.00
177	177	177	AAOI	0.00	0.00	0.00	0.00	177	177	177	0.00
178	178	178	AAOI	0.00	0.00	0.00	0.00	178	178	178	0.00
179	179	179	AAOI	0.00	0.00	0.00	0.00	179	179	179	0.00
180	180	180	AAOI	0.00	0.00	0.00	0.00	180	180	180	0.00

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest	Chg
E											
181	181	181	AAOI	0.00	0.00	0.00	0.00	181	181	181	0.00
182	182	182	AAOI	0.00	0.00	0.00	0.00	182	182	182	0.00
183	183	183	AAOI	0.00	0.00	0.00	0.00	183	183	183	0.00
184	184	184	AAOI	0.00	0.00	0.00	0.00	184	184	184	0.00
185	185	185	AAOI	0.00	0.00	0.00	0.00	185	185	185	0.00
186	186	186	AAOI	0.00	0.00	0.00	0.00	186	186	186	0.00
187	187	187	AAOI	0.00	0.00	0.00	0.00	187	187	187	0.00
188	188	188	AAOI	0.00	0.00	0.00	0.00	188	188	188	0.00
189	189	189	AAOI	0.00	0.00	0.00	0.00	189	189	189	0.00
190	190	190	AAOI	0.00	0.00	0.00	0.00	190	190	190	0.00
191	191	191	AAOI	0.00	0.00	0.00	0.00	191	191	191	0.00
192	192	192	AAOI	0.00	0.00	0.00	0.00	192	192	192	0.00
193	193	193	AAOI	0.00	0.00	0.00	0.00	193	193	193	0.00
194	194	194	AAOI	0.00	0.00	0.00	0.00	194	194	194	0.00
195	195	195	AAOI	0.00	0.00	0.00	0.00	195	195	195	0.00
196	196	196	AAOI	0.00	0.00	0.00	0.00	196	196	196	0.00
197	197	197	AAOI	0.00	0.00	0.00	0.00	197	197	197	0.00
198	198	198	AAOI	0.00	0.00	0.00	0.00	198	198	198	0.00
199	199	199	AAOI	0.00	0.00	0.00	0.00	199	199	199	0.00
200	200	200	AAOI	0.00	0.00	0.00	0.00	200	200	200	0.00

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest	Chg
F											
201	201	201	AAOI	0.00	0.00	0.00	0.00	2			
202	202	202	AAOI	0.00	0.00	0.00	0.00	2			
203	203	203	AAOI	0.00	0.00	0.00	0.00	2			
204	204	204	AAOI	0.00	0.00	0.00	0.00	2			
205	205	205	AAOI	0.00	0.00	0.00	0.00	2			
206	206	206	AAOI	0.00	0.00	0.00	0.00	2			
207	207	207	AAOI	0.00	0.00	0.00	0.00	2			
208	208	208	AAOI	0.00	0.00	0.00	0.00	2			
209	209	209	AAOI	0.00	0.00	0.00	0.00	2			
210	210	210	AAOI	0.00	0.00	0.00	0.00	2			
211	211	211	AAOI	0.00	0.00	0.00	0.00	2			
212	212	212	AAOI	0.00	0.00	0.00	0.00	2			
213	213	213	AAOI	0.00	0.00	0.00	0.00	2			
214	214	214	AAOI	0.00	0.00	0.00	0.00	2			
215	215	215	AAOI	0.00	0.00	0.00	0.00	2			
216	216	216	AAOI	0.00	0.00	0.00	0.00	2			
217	217	217	AAOI	0.00	0.00	0.00	0.00	2			
218	218	218	AAOI	0.00	0.00	0.00	0.00	2			
219	219	219	AAOI	0.00	0.00	0.00	0.00	2			
220	220	220	AAOI	0.00	0.00	0.00	0.00	2			
221	221	221	AAOI	0.00	0.00	0.00	0.00	2			
222	222	222	AAOI	0.00	0.00	0.00	0.00	2			
223	223	223	AAOI	0.00	0.00	0.00	0.00	2			
224	224	224	AAOI	0.00	0.00	0.00	0.00	2			
225	225	225	AAOI	0.00	0.00	0.00	0.00	2			
226	226	226	AAOI	0.00	0.00	0.00	0.00	2			
227	227	227	AAOI	0.00	0.00	0.00	0.00	2			
228	228	228	AAOI	0.00	0.00	0.00	0.00	2			
229	229	229	AAOI	0.00	0.00	0.00	0.00	2			
230	230	230	AAOI	0.00	0.00	0.00	0.00	2			
231	231	231	AAOI	0.00	0.00	0.00	0.00	2			
232	232	232	AAOI	0.00	0.00	0.00	0.00	2			
233	233	233	AAOI	0.00	0.00	0.00	0.00	2			
234	234	234	AAOI	0.00	0.00	0.00	0.00	2			
235	235	235	AAOI	0.00	0.00	0.00	0.00	2			
236	236	236	AAOI	0.00	0.00	0.00	0.00	2			
237	237	237	AAOI	0.00	0.00	0.00	0.00	2			
238	238	238	AAOI	0.00	0.00	0.00	0.00	2			
239	239	239	AAOI	0.00	0.00	0.00	0.00	2			
240	240	240	AAOI	0.00	0.00	0.00	0.00	2			
241	241	241	AAOI	0.00	0.00	0.00	0.00	2			
242	242	242	AAOI	0.00	0.00	0.00	0.00	2			
243	243	243	AAOI	0.00	0.00	0.00	0.00	2			
244	244	244	AAOI	0.00	0.00	0.00	0.00	2			
245	245	245	AAOI	0.00	0.00	0.00	0.00	2			
246	246	246	AAOI	0.00	0.00	0.00	0.00	2			
247	247	247	AAOI	0.00	0.00	0.00	0.00	2			
248	248	248	AAOI	0.00	0.00	0.00	0.00	2			
249	249	249	AAOI	0.00	0.00	0.00	0.00	2			
250	250	250	AAOI	0.00	0.00	0.00	0.00	2			
251	251	251	AAOI	0.00	0.00	0.00	0.00	2			
252	252	252	AAOI	0.00	0.00	0.00	0.00	2			
253	253	253	AAOI	0.00	0.00	0.00	0.00	2			
254	254	254	AAOI	0.00	0.00	0.00	0.00	2			
255	255	255	AAOI	0.00	0.00	0.00	0.00	2			
256	256	256	AAOI	0.00	0.00	0.00	0.00	2			
257	257	257	AAOI	0.00	0.00	0.00	0.00	2			
258	258	258	AAOI	0.00	0.00	0.00	0.00	2			
259	259	259	AAOI	0.00	0.00	0.00	0.00	2			
260	260	260	AAOI	0.00	0.00	0.00	0.00	2			
261	261	261	AAOI	0.00	0.00	0.00	0.00	2			
262	262	262	AAOI	0.00	0.00	0.00	0.00	2			
263	263	263	AAOI	0.00	0.00	0.00	0.00	2			
264	264	264	AAOI	0.00	0.00	0.00	0.00	2			
265	265	265	AAOI	0.00	0.00	0.00	0.00	2			
266	266	266	AAOI	0.00	0.00	0.00	0.00	2			
267	267	267	AAOI	0.00	0.00	0.00	0.00	2			
268	268	268	AAOI	0.00	0.00	0.00	0.00	2			
269	269	269	AAOI	0.00	0.00	0.00	0.00	2			
270	270	270	AAOI	0.00	0.00	0.00	0.00	2			
271	271	271	AAOI	0.00	0.00	0.00	0.00	2			
272	272	272	AAOI	0.00	0.00	0.00	0.00	2			
273	273	273	AAOI	0.00	0.00	0.00	0.00	2			
274	274	274	AAOI	0.00	0.00	0.00	0.00	2			
275	275	275	AAOI	0.00	0.00	0.00	0.00	2			
276	276	276	AAOI	0.00	0.00	0.00	0.00	2			
277	277	277	AAOI	0.00	0.00	0.00	0.00	2			
278	278	278	AAOI	0.00	0.00	0.00	0.00	2			
279	279	279	AAOI	0.00	0.00	0.00	0.00	2			
280	280	280	AAOI	0.00	0.00	0.00	0.00	2			
281	281	281	AAOI	0.00	0.00	0.00	0.00	2			
282	282	282	AAOI	0.00	0.00	0.00	0.00	2			
283	283	283	AAOI	0.00	0.00	0.00	0.00	2			
284	284	284	AAOI	0.00	0.00	0.00	0.00	2			
285	285	285	AAOI	0.00	0.00	0.00	0.00	2			
286	286	286	AAOI	0.00	0.00	0.00	0.00	2			
287	287	287	AAOI	0.00	0.00	0.00	0.00	2			
288	288	288	AAOI	0.00	0.00	0.00	0.00	2			
289	289	289	AAOI	0.00	0.00	0.00	0.00	2			
290	290	290	AAOI	0.00	0.00	0.00	0.00	2			
291	291	291	AAOI	0.00	0.00	0.00	0.00	2			
292	292	292	AAOI	0.00	0.00	0.00	0.00	2			
293	293	293	AAOI	0.00	0.00	0.00	0.00	2			
294	294	294	AAOI	0.00	0.00	0.00	0.00	2			
295	295	295	AAOI	0.00	0.00	0.00	0.00	2			
296	296	296	AAOI	0.00	0.00	0.00	0.00	2			
297	297	297	AAOI	0.00	0.00	0.00	0.00	2			
298	298	298	AAOI	0.00	0.00	0.00	0.00	2			
299	299	299	AAOI	0.00	0.00	0.00	0.00	2			
300	300	300	AAOI	0.00	0.00	0.00	0.00	2			
T-4-V											
44	44	44	AAOI	0.00	0.00	0.00	0.00	2			
45	45	45	AAOI	0.00	0.00	0.00	0.00	2			
46	46	46	AAOI	0.00	0.00	0.00	0.00	2			
47	47	47	AAOI	0.00	0.00	0.00	0.00	2			
48	48	48	AAOI	0.00	0.00	0.00	0.00	2			
49	49	49	AAOI	0.00	0.00	0.00	0.00	2			
50	50	50	AAOI	0.00	0.00	0.00	0.00	2			
51	51	51	AAOI	0.00	0.00	0.00	0.00	2			
52	52	52	AAOI	0.00	0.00	0.00	0.00	2			
53	53	53	AAOI	0.00	0.00	0.00	0.00	2			
54	54	54	AAOI	0.00	0.00	0.00	0.00	2			
55	55	55	AAOI	0.00	0.00	0.00	0.00	2			
56	56	56	AAOI	0.00	0.00	0.00	0.00	2			
57	57	57	AAOI	0.00	0.00	0.00	0.00	2			
58	58	58	AAOI	0.00	0.00	0.00	0.00	2			
59	59	59	AAOI	0.00	0.00	0.00	0.00	2			
60	60	60	AAOI	0.00	0.00	0.00	0.00	2			
61	61	61	AAOI	0.00	0.00	0.00	0.00	2			
62	62	62	AAOI	0.00	0.00	0.00	0.00	2			
63	63	63	AAOI	0.00	0.00	0.00	0.00	2			
64	64	64	AAOI	0.00	0.00	0.00	0.00	2			
65	65	65	AAOI	0.00	0.00	0.00	0.00	2			
66	66	66	AAOI	0.00	0.00	0.00	0.00	2			
67	67	67	AAOI	0.00	0.00	0.00	0.00	2			
68	68	68	AAOI	0.00	0.00	0.00	0.00	2			
69	69	69	AAOI	0.00	0.00	0.00	0.00	2			
70	70	70	AAOI	0.00	0.00	0.00	0.00	2			
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72	72	72	AAOI	0.00	0.00	0.00	0.00	2			
73	73	73	AAOI	0.00	0.00	0.00	0.00	2			
74	74	74	AAOI	0.00	0.00	0.00	0.00	2			
75	75	75	AAOI	0.00	0.00	0.00	0.00	2			
76	76	76	AAOI	0.00	0.00	0.00	0.00	2			
77	77	77	AAOI	0.00	0.00	0.00	0.00	2			
78	78	78	AAOI	0.00	0.00	0.00	0.00	2			
79	79	79	AAOI	0.00	0.00	0.00	0.00	2			
80	80	80	AAOI	0.00	0.00	0.00	0.00	2			
81	81	81	AAOI	0.00	0.00	0.00	0.00	2			
82	82	82	AAOI	0.00	0.00	0.00	0.00	2			
83	83</										

July 28, 1994

Not asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) fortnightly (every two weeks); (r) - regularly; (t) - twice weekly; (m) - monthly.

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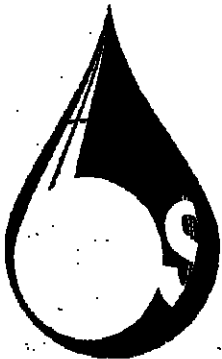
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Latest Bronx Bid To Keep Yanks

One state economic development official familiar with the situation said the transportation proposals, which were presented to team officials earlier this month and first reported Wednesday in New York, would not necessarily be part of the final plan for the area.



Dennis Cook relieved McCaskill and got Joyner to ground to Ventura, who failed to field the ball as McRae scored.

Bill Wegman allowed four hits in seven-plus innings for Milwaukee, who have won five of their last six road games. Mike

first game in Marlins' history

body were "a minor medical problem unrelated" to the testicular cancer they diagnosed in March. The Associated Press reported

Dennis Cook relieved McCaskill and got Joyner to ground to Ventura, who failed to field the ball as McRae scored.

Bill Wegman allowed four hits in seven-plus innings for Milwaukee, who have won five of their last six road games. Mike

right center, his fifth. They added single runs in the seventh on Roberto Kelly's RBI single and

Tim Bogar added a two-run homer in the eighth and Ryan Thompson had a solo shot in the ninth, his 17th.

The Pirates had six hits off Mike Morgan in the first three innings.

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GODDAMN... YOU ARE A FEW LEGS A FEW INCHES DEAR!

NO BIG DEAL? THAT'S A JOKE BEHIND YOU!

YIKES! REPENDANTS AND THEIR FATHERS AREN'T RESPONDING!

BETTER APPEAL!

GOOD THINKING!

Understanding only German, Fritz was unaware that the clouds were becoming threatening.

YOU'LL FIND A BIG BONUS IN YOUR PAYCHECK ENVELOPE THIS WEEK!

BOY, HE'S GOT A LOT OF NERVE... INTERRUPTING ME IN THE MIDDLE OF A NAP LIKE THAT... ZZZ

WIFE

YOU'LL FIND A BIG BONUS IN YOUR PAYCHECK ENVELOPE THIS WEEK.

BOY, HE'S GOT A LOT OF NERVE... INTERRUPTING ME IN THE MIDDLE OF A NAP LIKE THAT... Z-Z-Z

APRIL 1998

Understanding only German, Fritz was unaware that the clouds were becoming threatening.

Tokyo Says Output Improved in June

Compiled by Our Staff From Dispatches

TOKYO — Industrial production in Japan rose a seasonally adjusted 2.0 percent in June from May, but it is too early to conclude that output is recovering, the Ministry of International Trade and Industry said Thursday.

June output was unchanged from June 1993, marking the first time in 33 months that industrial output did not show a year-on-year decline.

The report contains good and bad news, said Harumi Takahashi, a MITI official. "It's still hard to make a clear judgment."

The ministry forecast that output would fall 3.0 percent in July and rise only 0.5 percent in August.

Ms. Takahashi said the continued strength of the yen was a negative factor for manufacturers, who export a considerable amount of their products. A high yen erodes exporters' earnings when they convert them into yen and makes their goods more expensive abroad.

High inventory levels also are holding back the economy, she said. The inventory-to-sales ratio stood at 113.5 in June. Unless the index falls to 110, the ministry will not be able to say a period of inventory adjustment is over, she said.

On the positive side of the report, industrial output exceeded forecasts in May and June, and the production forecast for July was revised upward from a month ago, Ms. Takahashi said.

Shipments rose 4.1 percent in June from May, the first monthly rise in three months.

Auto production jumped 11.8 percent, leading the 14 major categories in the report. Only electric machinery and nonferrous metals registered small declines.

In quarter-on-quarter terms, average production in April-June rose 0.8 percent from the previous period. In the January-March period, average production climbed 1.5 percent. There have not been two quarters of consecutive increases since the first half of 1991.

The reports' mixed results eased fears that strong industrial production numbers might lead the Bank of Japan to raise the country's historically low interest rates.

(Bloomberg, Knight-Ridder)

China Raises Forecast

Faced with continuing shortages of farm goods, China has decided to settle on a less ambitious reduction in inflation this year, to 13 percent, Bloomberg Business News reported from Beijing, quoting the official China Securities newspaper.

Beijing had set its sights on bringing inflation below 10 percent. But retail prices in the first six months of this year rose 19.8 percent from the year-earlier period.

The government found that among 128 kinds of farm products, 48 were in short supply, including cotton, edible oil, sugar and pork, the paper said.

Japan Tobacco Listing Set

Issue Scheduled for JR East Anniversary

Bloomberg Business News

TOKYO — First, small investors were discouraged from buying Japanese stocks when shares of Nippon Telegraph & Telephone Corp. plunged 72 percent from its listing price.

Then, the Japanese government listed shares in East Japan Railway Co., shutting down trading on the Tokyo Stock Exchange last October and precipitating a 20 percent slide in Japanese stocks.

The government is hoping the third time will be the charm.

On Oct. 27, one year to the day after East Japan Railway's debut, shares of Japan Tobacco Inc. are to hit Japan's eight stock exchanges. The Finance Ministry wants to sell 666,666 of its 2 million Japan Tobacco shares.

Traders said Japan Tobacco may face problems similar to NTT and East Japan Railway because demand for stocks is still fragile.

"It feels kind of ominous, this listing of JT," said John Doyle, a trader at Chemical Securities.

The ministry will auction 230,000 shares from Aug. 15 to Aug. 18, the Tokyo Stock Exchange said. Based on these bids by institutional investors, the first auction will set the price of the offering.

The remaining 436,666 shares will be allotted to individual and institutional investors through brokerages from Sept. 2 to Sept. 8, the exchange said.

The government will retain about a 67 percent stake in the company, the fourth-largest tobacco company in the world. Japan Tobacco currently commands an 80 percent share of Japan's cigarette market.

In May, Japan Tobacco reported an 8 percent rise in current profit, to 109.16 billion yen (\$1 billion), for the year ended March 31. It has forecast its current profit will edge up to 110 billion yen in the year ending next March 31.

Traders and analysts said that to ensure a smooth offering this time, officials will have to come up with ways to avoid the embarrassment of last year's listing of JR East, the largest railway company in Japan.

JR East shares made their debut in October at 600,000 yen each, a hefty 58 percent above its price in auctions to individual and institutional investors.

The stock problem with the listing was that it was too much of a good thing. Its success prompted investors to dump other stocks to raise cash to buy JR East, pushing overall share prices down.

Hitachi to Absorb Sales Subsidiary

Bloomberg Business News

TOKYO — Hitachi Ltd. will absorb its troubled home electronics sales subsidiary, Hitachi Sales Corp., on April 1, the company said Thursday.

The move is part of Hitachi's attempt to better prepare itself for the changes sweeping the electronics business, said Tsutomu Kanai, president of Hitachi.

"We face a new world of falling prices, a strong yen and the rise of multimedia," Mr. Kanai said. "This merger will help Hitachi face these new challenges."

Hitachi is one of Japan's leading electronics companies, with a range of products from nuclear power stations to light

bulbs. The company's home electronics division, which makes washing machines, air conditioners, televisions and video recorders, has been running losses for several years.

The sales company for those appliances, Hitachi Sales, has reported operating losses totaling more than 5 billion yen (\$51 million) in the past two years as Japan's economic slump and a cool summer last year dampened demand for home appliances. The company is forecasting an operating loss of 470 million yen in the year ending in March 1995.

Arrest of Aide to Stanley Ho Is Disclosed

Bloomberg Business News

HONG KONG — Police arrested one of Stanley Ho's top assistants last December after raiding the offices of Mr. Ho's main listed investment vehicle, Shun Tak Holdings Ltd., court documents here show.

High Court Judge Neil Kaplan said that, based on background investigations and on documents found on Joseph Tam, a Shun Tak officer, police believed "there was in existence a prima facie case of fraud."

Police also believed "that there are reasonable grounds for believing that there has been an attempt to pervert the course of justice in respect of the investigation of that fraud," the judge wrote. He said police had carried out another raid on Shun Tak offices March 30.

Mr. Tam's job has been described by a government-appointed investigator into alleged securities violations as "handling personal matters" for Mr. Ho. No charges have been filed against Mr. Tam.

New Indonesian TV Station

Reuters

JAKARTA — A television station controlled by Liem Sioe Liong, whose Salim group is Indonesia's largest conglomerate, will enter the country's broadcasting industry next month, the Antara news agency said Thursday. Media sources said, however, that it could take as much as two more months for PT Indosiar Visual Mandiri to start broadcasting.

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Luxembourg L.Fr.	14,000	5,375	4,200
Netherlands Fl.	770	292	230
Norway N.Kr.	3,500	1,375	1,050
Portugal Esc.	47,000	17,750	14,000
Spain Pes.	48,000	18,000	14,500
Switzerland S.Fr.	65,000	24,375	19,500
Sweden (normal) S.Kr.	3,100	1,175	900
Switzerland S.Fr.	3,500	1,375	1,050
Switzerland S.Fr.	610	232	185
Rest of Europe ex C.E.I.	5	265	145
C.E.I. N. Africa, former French Africa, Middle East	5	345	190
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CHG 1/4

Wheelock Profit Jumps on Strong Wharf Results

Compiled by Our Staff From Dispatches

HONG KONG — Wheelock & Co. said Thursday that its net profit rose a better-than-expected 50 percent in the year ended March 31, supported by strong one-time gains in real estate as well as profit at its subsidiary Wharf (Holdings) Ltd.

Wheelock said profit rose to 2.20 billion Hong Kong dollars (\$284 million) from 1.47 billion dollars in the previous year. The company said that, excluding one-time gains, recurring pretax profit grew 28 percent.

Wheelock said it posted an exceptional gain of 271.6 million dollars from the sale of real estate and other investments, compared with 30.7 million dollars the previous year.

Sales rose to 2.23 billion dollars from 2.21 billion dollars.

But most of its profit came from Wharf, of which it owns 44 percent, and which has real estate, hotels, telecommunications, cable television and infrastructure interests.

In March, Wharf, whose financial year differs from that of Wheelock, said net profit rose 33 percent in calendar 1993, to 2.73 billion dollars. Most of Wharf's profit came from real-estate activities.

The rest of Wheelock's profit came from its subsidiaries — the department-store group Lane Crawford International and real-estate groups Realty Development Corp. and Hongkong Realty & Trust.

Chairman Peter Woo said the property, retail and trading group's assets were ex-

pected to grow in value and that it had a plan for a series of investments of between 10 billion and 20 billion dollars.

The full-year results are the first since Wheelock's controlling shareholders, the family of the late shipping magnate Y.K. Pao, moved to revitalize the company in November into an aggressive investment group through partnerships with Western investors in China, Hong Kong and south-east Asia.

Formerly known as World International Holdings, Wheelock has formed marketing alliances with Fosters' Brewing Group Ltd. and acquired a 25 percent stake in the paper-products maker Climax International. It also formed a joint venture with Britain's Virgin Group to bring music megastores to Asia.

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